

## **The Value Added Tax and Supplementary Duty Act, 2012**

[Act No. 47 of 2012]

(Unofficial English Translation)

An Act to expand the areas of imposing value added tax, supplementary duty and turnover tax; and to consolidate and simplify the provisions relating to collection procedures thereof; and to make other provisions ancillary thereto.

Whereas it is expedient and necessary to expand the areas of imposing value added tax, supplementary duty and turnover tax; and to consolidate and simplify the provisions relating to collection procedures thereof; and to make other provisions ancillary thereto;

It is hereby enacted as follows:—

### CHAPTER ONE

#### PRELIMINARY

1. Short title and commencement.—(1) This Act may be called the Value Added Tax and Supplementary Duty Act, 2012.

(2) The Chapter Two, Chapter Twelve and Chapter Fifteen, and sections 128, 132, 134, and 135 of this Act shall come into force at once.

(3) Save and except the Chapters and Sections mentioned in sub-section (2), the other Chapters and Sections of this Act shall come into force on such date as the Government may, by notification in the official Gazette, appoint.

2. Definitions.—In this Act, unless there is anything repugnant in the subject or context,—

(1) "non-resident" means a person who is not a resident;

(2) "offence" means any offence specified in section 111, 112 and 113;

(3) "exempted supply" means any supply specified in section 26;

(4) "exempted import" means any import specified in section 26;

(5) "money" means any existing legal tender of Bangladesh or of any other country, and also includes the following instruments, namely—

(a) negotiable instrument;

(b) bill of exchange, promissory note, bank draft, postal order, money order or any other similar instrument;

(c) credit card or debit card; or

(d) any supply made through account credit or debit;

(6) "economic activity" means any activity carried on regularly or periodically for making supply of any goods, service or immovable property, and

(a) also includes the following activities, namely-

(i) any business, profession, vocation, trade, manufacture or undertaking of any kind, irrespective of profit;

(ii) any supply of any goods, service or property made under any lease, licence, or similar arrangement;

(iii) any one-off adventure or concern in the nature of a trade; or

(iv) any activity carried on or undertaken before the commencement or after the termination of an economic activity;

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- (b) but does not include the following activities, namely-
- (i) any service rendered by an employee to his employer;
  - (ii) any service rendered by any director of a company: provided that the service rendered by a director who holds the office of the directorship for the purposes of the business of the company, shall be regarded as an economic activity;
  - (iii) any recreational pursuit or hobby carried on for nonprofit purpose;
- or
- (iv) any other prescribed activity carried on by the Government for nonprofit purpose;
- (7) "partnership" means the partnership as defined in section 4 of the Partnership Act, 1932 (Act No. IX of 1932);
- (8) "advance tax" means any tax payable in advance under section 31(2) on a dutiable import;
- (9) "order" means any order, general or special, issued by the Board or by any authorized VAT officer;
- (10) "progressive or periodic supply" means-
- (a) any supply for which consideration is paid progressively or periodically under the terms of any agreement; or
  - (b) any supply made under the terms of any lease including finance lease;
  - (c) any supply made directly for any construction or engineering or restructuring or extension of any building;
- (11) "ancillary transport services" means any stevedoring services, lashing and securing services, cargo inspection services, preparation of customs documentation, container handling services, and the storage of transported goods or goods to be transported and any other similar service;
- (12) "international transport" means, except the ancillary transport service, any service of transporting of any passenger or goods by road, water or air from one place to another as follows, namely-
- (a) from a place outside Bangladesh to a place outside Bangladesh;
  - (b) from a place outside Bangladesh to a place within Bangladesh; or
  - (c) from a place within Bangladesh to a place outside Bangladesh;
- (13) "international assistance and loan agreement" means an agreement between the Government of Bangladesh and a foreign Government, or a public international organization for rendering assistance to Bangladesh in the areas of finance, technology or administration;
- (14) "appellate tribunal" means the Customs, Excise, and Value Added Tax Appellate Tribunal constituted under section 196 of the Customs Act; [www.vatbd.com](http://www.vatbd.com) Page 3 12/26/2012
- (15) "resident" means an individual who-
- (a) lives normally in Bangladesh; or
  - (b) stays in Bangladesh for more than 182 (one hundred and eightytwo) days in a current calendar year; or
  - (c) stays in Bangladesh for more than 90 (ninety) days in a calendar

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year and stayed in Bangladesh for more than 365 (three hundred and sixty-five) days during the four immediately preceding calendar years; and also includes the following entity, namely-

- (a) a company, if it is incorporated under the laws of Bangladesh or its centre of control and management is in Bangladesh;
- (b) a trust , if a trustee thereof is a resident of Bangladesh or the centre of control and management of the trust is in Bangladesh;
- (c) an association of persons other than a trust , if it is formed in Bangladesh or its centre of control and management is in Bangladesh;

(d) all government entities; or

(e) a property development joint venture;

(16) "import" means bringing of any goods or services from outside to inside Bangladesh;

(17) "imported service" means supply of any service made to a person registered or required to be registered from outside Bangladesh;

(18) "electronic service" means any of the following services, when provided or delivered on or through a telecommunications network, a local or global information network, or similar means namely—

(a) websites, web-hosting, or remote maintenance of programs and equipment;

(b) software and the updating thereof delivered remotely;

(c) images, text, and information delivered;

(d) access to databases;

(e) self-education packages;

(f) music, films, and games, including games of chance, and

(g) political, cultural, artistic, sporting, scientific and entertainment broadcasts and events, including broadcast television;

(19) "input tax" means the value added tax imposable on any taxable supply of any goods or services or immovable property including the value added tax imposable on the taxable supply of imported goods or services;

(20) "output tax" means the value added tax payable by any person for any of the following activity, namely—

(a) supply of any taxable goods or services or property by such person; or

(b) import of any taxable goods or services by such person;

(21) "withholding entity" meanswww.

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(a) a government entity;

(b) an non-government organization approved by NGO Affairs Bureau or Directorate of Social Welfare;

(c) a bank, insurance company or similar financial institution;

(d) a post-secondary educational institution;

(e) a public limited company; or

(f) an establishment registered under large taxpayers' unit (VAT);

(22) "withholding certificate" means a certificate in respect of an amount of tax

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withheld at source;

(23) "Commissioner", when used alone, means an officer appointed to the position of Commissioner under section 78;

(24) "tax" means VAT, turnover tax , supplementary duty, and in relation to realization of due tax, also includes any interest, monetary penalty or fine;

(25) "tax invoice" means a document issued by any supplier under section 51;

(26) "taxpayer" means a person who is required to pay tax under this Act, and also includes a withholding entity;

(27) "tax assessment" means an assessment of net payable tax by any taxpayer under chapter fifteen;

(28) "tax determination" means a determination of net payable tax by any Commissioner under chapter eleven;

(29) "tax fraction" means the amount arrived at in accordance with the following formula:

where R is the VAT rate specified in section 15(3);

(30) "tax period" means-

(a) in relation to VAT and supplementary duty, one or more than one month of the Christian Calendar; or

(b) in relation to turnover tax, every three month period ending on 31 March, 30 June, 30 September or 31 December;

(31) "taxable import" means an import of goods, other than an exempt import;

(32) "taxable supply" means any supply other than exempted one which is made-

(a) in Bangladesh;

(b) by any person registered or required to be registered; and

(c) through economic activities;

(33) "tax rate" means, depending on the context,-

(a) VAT rate specified in section 15(3);

(b) supplementary duty rate specified in section 55(4); or

(c) turnover tax rate specified in section 63(1);

(34) "tax benefit" means any one of the following benefits, namely-

(a) a reduction in the output tax liability;

R

$100 + R$

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(b) a reduction in the VAT liability on an import of goods;

(c) an increase in an excess carried forward or a reduction in the payable tax amount;

(d) an increase in the entitlement to a decreasing adjustment;

(e) a decrease in an increasing adjustment;

(f) a refund of tax;

(g) deferring of an output tax or acceleration of an input tax credit entitlement;

(h) a delay in accounting for output tax or an increasing adjustment or an acceleration of entitlement to an input tax credit or other decreasing adjustment;

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- (i) conversion of an actual and real taxable supply or import into an intaxable supply or import;
  - (j) making an input tax credit right which would not otherwise allowed in relation to an actual and real import or acquisition; or
  - (k) an understated turnover shown by a turnover taxpayer;
  - (35) "proceeding" means any proceeding or process initiated by any Commissioner under this Act, but does not include any judicial proceeding in respect of any offence;
  - (36) "lay-by agreement" means an agreement, for the sale and purchase of any goods, under which-
    - (a) after the payment of the first installment, the price is payable by at least one or more installments;
    - (b) delivery of the goods takes place when payment of the installment is made; and
    - (c) ownership of the goods is transferred on delivery of possession;
  - (37) "central unit" means the unit of an economic activity where all the accounts and records are maintained, and kept centrally;
  - (38) "company" means an entity incorporated as a company under any law;
  - (39) "credit note" means a document issued by a taxpayer in support of an decreasing adjustment;
  - (40) "invoice" means a document showing the liability of the payment of any consideration;
  - (41) "monetary penalty" means an amount imposed by any Commissioner under section 85, but does not include a fine imposed by any court after the trial of any offence;
  - (42) "turnover" means the money received or receivable by economic activity against supply of any dutiable goods manufactured or imported or purchased or any dutiable service rendered in a prescribed period or a particular tax period;
  - (43) "turnover tax" means any tax payable under section 63;
  - (44) "debit note" means a document issued by the taxpayer in support of an increasing adjustment;
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- (45) "schedule" means any schedule of this Act;
  - (46) "enlisted" means an enlistment made for turnover tax under section 10(2);
  - (47) "person required to be enlisted" means any person required to be enlisted for turnover tax under section 10(1);
  - (48) "enlistment threshold" means the limits of Taka 24 lakh as net turnover of an economic activity of any person, in a 12 (twelve) month period, but does not include the following amounts, namely-
    - (a) the value of an exempted supply;
    - (b) the value of sale of a capital asset;
    - (c) the value of a supply made for selling of an economic activity or any part thereof;
    - (d) the value of a supply made as a consequence of permanently ceasing

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to carry on an economic activity;

(49) "document" includes the following things, namely-

(a) anything expressed or stated with the help of a letter, number, symbol or sign on a paper or any other material; and

(b) any kind of electronic data, computer program, computer tape, computer disk, or similar materials that hold data;

(50) "return" means any return filed by a taxpayer for tax assessment, and tax determination;

(51) "Code of Civil Procedure" means the Code of Civil Procedure, 1905 (Act No. V of 1905);

(52) "fixed place" means any one of the following places at or through which an economic activity inside or outside Bangladesh is carried on, namely-

(a) a place of management;

(b) a branch, office, factory, or workshop;

(c) a mine, a gas well, a quarry or any other similar place of extraction of natural resources; or

(d) a location of any construction or installation project;

(53) "prescribed" means prescribed by any rule or order of the Board;

(54) "registration" means the VAT registration under section 6;

(55) "person required to be registered" means any person required to be registered for VAT under section 4;

(56) "registered person" means any person registered for VAT under section 6;

(57) "registration threshold" means the limits of Taka 80 lakh as net turnover of an economic activity of any person, in a 12 (twelve) month period, but does not include the following amounts, namely-

(a) the value of an exempted supply;

(b) the value of sale of a capital asset;

(c) the value of supply made for selling of an economic activity or any part thereof;

(d) the value of a supply made as a consequence of permanently ceasing to carry on an economic activity;

(58) "fair market price" means-

(a) the consideration the supply would fetch in an open market transaction freely made between persons who are not associates; or

(b) if it is not possible to determine a fair market price under paragraph

(a), the consideration a similar supply would fetch in an open market transaction

(c) if it is not possible to determine a fair market price by above methods, it may be determined using any method approved by the Board for calculating an objective approximation of the consideration the supply would fetch in an open market transaction freely made between persons who are not associates;

the prevailing market price of any goods, services, or immovable property at the time of their supply, and on the basis of normal business relation

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between a seller and buyer and , if no such market price prevails, then the price prescribed by the Board;

(59) "consideration" means an amount paid or payable in money or the fair market price of anything paid or payable in kind by any person, whether directly or indirectly, in respect of, in response to, or for the inducement of any supply, and also includes the following amount, namely-

(a) any tax imposable under this Act or any other law that are-

(i) payable by the supplier on, or by reason of, a supply; and

(ii) included in or added to the amount charged to the recipient of a supply;

(b) any amount payable as service charge;

(c) any amount payable in relation to a supply of any goods under the hire purchase or finance lease agreement including an amount payable in relation to any loan given under any finance lease or hire purchase lease;

but does not include any discount in price given at the time of a supply;

(60) "goods" means, other than share or stock or security or money, all kinds of tangible movable property;

(61) "Supply of goods" means-

(a) a sale, exchange, or other transfer of the right to dispose of goods as owner, including under a hire purchase agreement; or

(b) a lease, hire, or other right of use granted in relation to goods, including a supply of goods under a finance lease.

(62) "deemed export" includes all or any one of the following supplies, namelywww.vatbd.com Page 8 12/26/2012

(a) supply of any goods or services, in exchange of foreign currency in the prescribed manner, for the consumption outside Bangladesh;

(b) supply of any goods or services, in exchange of foreign currency, inside Bangladesh under an international tender; or

(c) supply of any goods or services, in exchange of foreign currency, inside Bangladesh under a local letter of credit;

(63) "representative" means-

(a) for a disable individual, a guardian or a manager appointed by him;

(b) for a company other than a company in liquidation, the chief executive officer of the company;

(c) for a partnership, a partner in the partnership;

(d) for a trust, any trustee of the trust or an executor or administrator of such trust;

(e) for an association of persons, the chairman, treasurer, or secretary of the association;

(f) for a government entity, the chief executive officer of the entity;

(g) for a foreign Government, an officer appointed by it;

(h) for a non-resident, any VAT Agent appointed by him; or

(i) any other prescribed representative;

(64) "net payable tax " means the actual amount of VAT or supplementary duty or

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turnover tax that becomes due to be paid after working out all the adjustments against any output tax or increasing adjustments or input tax credit or decreasing adjustment in a tax period under section 45;

(65) "manufacturing" means-

(a) transforming or reshaping of any substance by processing individually or in combination with any other substance, material or components of production for changing, transforming or reshaping it into a different specific substance or goods so that it becomes useable differently or specifically;

(b) any incidental or related processes required to complete the production of goods;

(c) any printing, publication, lithography or engraving processes;

(d) any assembling, mixing, cutting, liquidifying, bottling, packaging or repackaging; or

(e) any processes in producing or manufacturing of goods including intermediary or an incomplete process;

(66) "finance lease" means any lease agreement other than hire purchase agreement that is treated as finance lease under International Financial Reporting Standards;

(67) "Code of Criminal Procedure" means the Code of Criminal Procedure, 1898 (Act No. V of 1898);

(68) "tax due" means the tax due specified in section 95;

(69) "rule" means any rule made by the Board;

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(70) "Bill of Entry" means the bill of entry as defined in section 2(c) of the Customs Act;

(71) "increasing adjustment" means any one of the following adjustments, namely-

(a) an increasing adjustment in respect of withholding tax;

(b) an increasing adjustment required for an annual re-calculation;

(c) an increasing adjustment, if payment is not made through banking channels;

(d) an increasing adjustment for any goods applied to a private use;

(e) an increasing adjustment on being registered;

(f) an increasing adjustment on cancellation of registration;

(g) an increasing adjustment for the change in the VAT rate;

(h) an increasing adjustment for the payment of any interest, monetary penalty, fine, fee, etc; or

(i) any other prescribed increasing adjustment;

(72) "large taxpayers' unit" means any unit formed under section 78(3);

(73) "Board" means the National Board of Revenue established by the National Board of Revenue Order, 1972 (P.O. No. 76 of 1972);

(74) "person" means any individual, and also includes the following entities, namely—

(a) company;



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- (b) an association of persons;
- (c) a government entity;
- (d) a foreign Government or a department designated by it or any officer appointed by it;
- (e) a public international organization; or
- (f) a property development joint venture or any other similar venture;
- (75) "association of persons" means any partnership or trust or any similar association, but does not include any company or unincorporated joint venture;
- (76) "business identification number" means an unique business identification number issued to a registered or enlisted person and inserted in the VAT registration certificate or turnover tax certificate;
- (77) "services directly related to land" include—
  - (a) services physically performed on land;
  - (b) services of experts and estate agents relating to specific land; and
  - (c) services relating to construction work undertaken or to be undertaken on specific land;
- (78) "value" means-
  - (a) the value of import specified in section 22; or [www.vatbd.com](http://www.vatbd.com) Page 10 12/26/2012
  - (b) the value of supply specified in section 27;
- (79) "value added tax" or "VAT" means the value added tax imposed under section 15;
- (80) "Value Added Tax Authority" means the authority specified in section 78;
- (81) "Value Added Tax Officer" or "VAT officer" means any officer specified in section 78(1);
- (82) "export" means a supply of any goods from inside to outside the geographical limits of Bangladesh and also includes a deemed export;
- (83) "branch unit" means an unit of an economic activity where accounts and records of such branch are maintained, and kept separately and independently;
- (84) "Customs Act" means the Customs Act, 1969 (Act No. IV of 1969) or any rule made or order issued thereunder;
- (85) "Commissioner of Customs" or "Customs Officer" means any officer specified in Customs Act;
- (86) "zero-rated supply" means any supply specified as zero-rated in section 21;
- (87) "adjustment event" means any one of the following events, namely—
  - (a) cancellation of any supply;
  - (b) alteration in the amount of consideration for any supply;
  - (c) return of any supplied goods or any part thereof to the supplier;
  - (d) conversion of a supply into zero-rated or exempted one as a result of alteration in the nature of such supply; or
  - (e) any other prescribed event;
- (88) "property development joint venture" means a venture where a land owner enters into an agreement with a builder under certain terms for constructing

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buildings on his land;

(89) "supplementary duty" means the supplementary duty imposed under section 55;

(90) " supplementary dutiable goods" means any goods specified in the second schedule that are subject to supplementary duty;

(91) " supplementary dutiable services" means any services specified in the second schedule that are subject to supplementary duty;

(92) "combined tax invoice and withholding certificate" means a document specified in section 53;

(93) "government entity" means—

(a) a Government or a ministry, division, or an attached department thereof;

(b) a semi-government entity or autonomous body;

(c) a state-owned enterprise; or

(d) a local authority, council, or similar body;

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(94) "supply" means any supply and also includes the following matters namely-

(a) a supply of goods;

(b) a supply of immovable property;

(c) a supply of services; or

(d) a combination of the supplies of the above clauses (a) (b) and (c);

(95) "certificate" means any certificate issued by the Commissioner;m

(96) "time of supply" means—

(a) in relation to supply of any goods, the time when the goods are delivered or removed;

(b) in relation to supply of any services, the time when the services are rendered, generated, provided or assigned; or

(c) in relation to supply of any immovable property, the time when the property is delivered or created or transferred or assigned;

(97) "associate" means a person between two where one acts or is reasonably expected to act in accordance with the intention of the other, or both act or are reasonably expected to act in accordance with the intention of a third person, and also includes the following persons, namely-

(a) a relative of any person;

(b) a partner of a partnership;

(c) a shareholder of a company;

(d) a trust and a beneficiary of the trust; or

(e) a property development joint venture and a landowner, builder, or other related person;

but does not include—

(a) persons with employment relations; or

(b) representative, VAT Agent, distributor, licensee or persons with similar relationship;

(98)"second-hand goods" means any such goods that are used before, but does not include any valuable metal or any goods made of such valuable metal (such

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as: gold, silver, platinum or any other similar metal), and any diamond, rubies, emeralds or sapphires;

(99)"services" means any service but do not include any goods or immovable property or money;

(100)"supply of service" means any supply that is not a supply of goods, money, or immoveable property, including but not limited to—

- (a) a grant, assignment, termination, or surrender of a right;
- (b) the making available of a facility, opportunity, or advantage;
- (c) an agreement to refrain from or tolerate an activity, a situation, or the doing of an act; and

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(d) the issue, transfer, or surrender of a licence, permit, certificate, concession, authorization, or similar right.

(101)"immovable property" means subject matter of any immovable property whether it is property or combination of the rights attached to it and also includes any land or building or structure constructed on or anything attached to it;

(102) " supply of immovable property" includes any one of the following supplies namely—

- (a) an interest in or right over land;
  - (b) a personal right to call for or be granted an interest in or right over land;
  - (c) a licence to occupy land or any other contractual right exercisable over or in relation to land, including a supply of accommodation; or
  - (d) a right or option to acquire anything mentioned in the above clause
- (a) (b) and (c);

(103) "decreasing adjustment" means any one of the following adjustments, namely—

- (a) a decreasing adjustment for the amount paid as advance tax;
- (b) a decreasing adjustment allowed to a telecommunications supplier;
- (c) a decreasing adjustment in respect of withholding tax;
- (d) a decreasing adjustment allowed as a result of an annual re-calculation;
- (e) a decreasing adjustment on being registered;
- (f) a decreasing adjustment in relation to second-hand goods purchased for re-sale;
- (g) a decreasing adjustment in relation to an indemnity payment under a policy of insurance;
- (h) a decreasing adjustment in relation to a monetary prize paid for a lottery, lucky draw, raffle, or similar undertaking;
- (i) a decreasing adjustment where there is a decrease in the VAT rate;
- (j) a decreasing adjustment allowed to refund of supplementary duty;
- (k) a decreasing adjustment claimed for a negative net amount carried forward from a previous tax period;
- (l) a decreasing adjustment allowed for VAT overpaid in a previous tax period; or

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(m) any other prescribed decreasing adjustment.

3. The Act to prevail.—Notwithstanding anything contained in any other law or rule or regulation for the time being in force or in any other instrument having the force of law, the provisions of this Act shall prevail.

**CHAPTER TWO**

**VAT REGISTRATION AND TURNOVER TAX ENLISHMENT**

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4. Person required to be registered for VAT.—(1) Irrespective of any central, or branch unit, each of the following persons shall, from the first day of every month, be required to be registered, namely—

(a) any person carrying on an economic activity with a turnover exceeding the registration threshold within 12 (twelve) month time from the previous month ; or

(b) any person estimating that the turnover of his economic activity is likely to exceed the registration threshold within 12 (twelve) month time from the previous month.

(2) Notwithstanding anything contained in sub-section (1), every person who carries on the economic activities of—

(a) manufacturing any supplementary dutiable goods in Bangladesh; or

(b) providing supply of any supplementary dutiable service in Bangladesh;

shall be required to be registered.

5. Registration of central, or branch unit.—(1) Every person required to be registered shall have only one VAT registration for the central, and all the branch units of his economic activity.

(2) Notwithstanding anything contained in sub-section (1), a branch unit that maintains the records, and keeps the accounts independently and separately from the central unit, may have a separate VAT registration.

(3) Every branch unit registered separately shall, for the purposes of this Act, be regarded as a separate taxpayer.

(4) Movements of goods or provision of services from one branch unit to separately registered another branch shall not be treated as supplies, and as a result, no output tax liability or input tax credit claim shall arise in respect of such dealings.

6. VAT registration.—(1) Every person required to be registered shall make, within such time, on such terms and in such manner as may be prescribed, an application to the Commissioner for VAT registration.

(2) The Commissioner shall, after registering such person within such time, on such terms and in such manner as may be prescribed, issue a VAT registration certificate inserting a business identification number therein.

(3) If the application under sub-section (1) is not made accordingly, the Commissioner shall inform the matter to the applicant in writing.

7. Publication, and preservation of list of registered persons.—(1) The Board shall, in the prescribed manner, prepare a list of the registered persons from time to time, and print, circulate and preserve such list from time to time.

(2) No person shall have any reason to believe that a person whose name is not

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included in the published list is a person registered.

(3) Every person shall have the reason to believe that a person whose name is included in the published list is a person registered under this Act.

8. Voluntary VAT registration.—(1) Any person not required to be registered for carrying on any economic activity may also voluntarily make, within such time, on such [www.vatbd.com](http://www.vatbd.com) Page 14 12/26/2012

terms and in such manner as may be prescribed, an application to the Commissioner for VAT registration.

(2) The Commissioner shall, after registering such person within such time, on such terms and in such manner as may be prescribed, issue a VAT registration certificate inserting a business identification number therein.

9. Cancellation of VAT registration.—(1) If a registered person refrains from carrying on his economic activity, then he shall make, within such time, on such terms and in such manner as may be prescribed, an application to the Commissioner for the cancellation of VAT registration thereof:

Provided that the VAT registration shall not be cancelled until the tax due is paid in full.

(2) A person who does not require to remain registered anymore he if continues to make taxable supply may, within such time, on such terms and in such manner as may be prescribed, apply for the cancellation of his registration to the Commissioner: Provided that a person who is registered voluntarily under section 8 shall require to remain registered for at least one year.

(3) The Commissioner may, within such time, on such terms and in such manner as may be prescribed, cancel the VAT registration.

(4) If a registered person does not apply for the cancellation of VAT registration under sub-section (1), and if it appears to the Commissioner on appropriate enquiry that the VAT registration of such person is liable to be canceled, then he shall issue an order directing such person to make an application for the cancellation of VAT registration; and if no such application is made in accordance with such order, then the Commissioner shall, suo moto, cancel the VAT registration of such person.

(5) If, after the cancellation of a VAT registration of a person, it appears to the Commissioner that such person is required to be enlisted, then he may, suo moto or upon an application, enlist such person as a turnover taxpayer.

(6) Where registration of a registered person is cancelled, he shall—

(a) immediately refrain from using or issuing any tax invoice, combined tax invoice, withholding certificate, credit note, debit note, etc; and

(b) return the VAT registration certificate, and all certified copies thereof to the Commissioner within the prescribed time, and pay the tax due, and file a final VAT return.

10. Person required to be enlisted, and enlistment thereof.—(1) If a person, on carrying on an economic activity after quarter of any 12 (twelve) month time, exceeds the enlistment threshold, but does not exceed the registration threshold, then such person shall make, within 30 (thirty) days from the ending date of such quarter, on such terms and in such manner as may be prescribed, an application to the Commissioner for the enlistment as a turnover taxpayer.

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(2) The Commissioner shall, after enlisting such person as a turnover taxpayer within such time, on such terms and in such manner as may be prescribed, issue a turnover tax certificate inserting a business identification number therein.

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11. Cancellation of enlistment.—(1) Every enlisted person may make, within such time, on such terms and in such manner as may be prescribed, to the Commissioner an application for the cancellation of an enlistment for the following reasons, namely—

- (a) if he ceases to carry on any economic activity; or
- (b) if the turnover of his economic activity remains below the enlistment threshold proportionately for three consecutive tax period.

(2) The Commissioner may, within such time, on such terms and in such manner as may be prescribed, cancel the enlistment.

(3) An application for VAT registration shall be treated as an application for the cancellation of an enlistment, and the enlistment as a turnover taxpayer shall be deemed to have been cancelled on the date immediately before the Commissioner issues VAT registration certificate.

(4) If any person does not make an application under sub-section (1) for the cancellation of enlistment, then the Commissioner may, after canceling the enlistment of such person within such time, on such terms and in such manner as may be prescribed, pass any necessary order.

12. Registration or enlistment of persons required to be registered or enlisted by the Commissioner suo moto.—If, after appropriate enquiry, the Commissioner is of opinion that a person was required to be registered or enlisted but failed to make an application for such registration or enlistment, then the Commissioner shall, suo moto, register such person for VAT registration or enlist for turnover tax enlistment and issue certificate.

13. Responsibility of a registered or enlisted person to display certificates.—Every registered or enlisted person shall display the VAT registration certificate or turnover tax certificate or a certified copy thereof in such place of his economic activity as it becomes easily visible.

14. Responsibility of a registered or enlisted person to inform about the changed information.—Every registered or enlisted person shall, in respect of any changes in the following information relating to his economic activity, inform the Commissioner within such time and in such manner as may be prescribed, namely-

- (a) a change in the name, including business name or other trade name, of such person;
- (b) a change in the address or other contact details of such person;
- (c) a change in the places of his economic activity;
- (d) a change in information relating to any bank account of such person;
- (e) a change in the nature of one or more of the economic activities carried on by such person; or
- (f) any other prescribed information.

### CHAPTER THREE

#### IMPOSITION OF VAT

15. Imposition of VAT.—(1) Subject to other provisions of this Act, value added

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tax shall be imposable and payable on the taxable import and supply, on the basis of the destination principle.

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(2) The amount of the VAT shall be assessed and determined by multiplying the VAT rate specified in sub-section (3) with the value of the taxable import or supply.

(3) Unless otherwise provided in this Act, in relation to taxable import or supply, the VAT rate shall be 15 (fifteen) percent.

16. Persons liable to pay value added tax.—Every person specified below shall be liable to pay VAT, namely—

- (a) in relation to taxable import: the importer;
- (b) in relation to any taxable supply in Bangladesh: the supplier;
- (c) in relation to any taxable supply of imported service: the recipient; or
- (d) in relation to any sale of any goods by an auctioneer on behalf of a registered person in the prescribed manner: the auctioneer.

17. Supplies made in Bangladesh.—(1) For the purposes of section 15 the following supplies shall be treated to be made in Bangladesh namely—

- (a) any supply made by any non-resident;
- (b) any supply made by a non-resident carrying on an economic activity at or through a fixed place in Bangladesh;
- (c) any supply other than one mentioned in clause (b) made by a non-resident if the supply-
  - (i) relates to immovable property and land attached to it situates in Bangladesh;
  - (ii) relates to any goods that is delivered acquired installed and assembled in Bangladesh;
  - (iii) is made to an unregistered person and relates to-
    - (A) the services are physically performed in Bangladesh by a person who is in Bangladesh at the time of supply;
    - (B) the services are directly related to land located in Bangladesh;
    - (C) the services are radio or television broadcasting services received at an address in Bangladesh;
    - (D) the services are electronic services delivered to a person located in Bangladesh at the time of supply; or
    - (E) the supply is of a telecommunications service that is initiated by a person who is located in Bangladesh at the time of supply, other than a telecommunications supplier or a person who is global roaming while temporarily in Bangladesh.

(2) For the purpose of sub-clause (ii) of clause (c) of sub-section (1) goods supplied by a non-resident after they are imported but before they are entered for home consumption are deemed to have been delivered or made available outside Bangladesh.

(3) For the purpose of sub sub-clause (E) of sub-clause (c) of sub-section (1) the person who initiates a supply of telecommunications services is—

(a) the person identifiable by the supplier of the services as being—

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(i) the person who controls the commencement of the supply;

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- (ii) the person who pays for the services; or
- (iii) the person who contracts for the supply; and
- (b) if more than one person satisfies paragraph (a), the person who appears highest on that list; and
- (c) if the supplier cannot identify any of the persons listed because it is impractical to determine the physical location of a person due to the type of service, or to the class of customer persons to which the person belongs, then in respect of all supplies of telecommunications services made for that type of service or that class of customer, the supplier shall treat the supply as being made where the physical residential or business address for the person receiving invoices from the supplier is located.

18. Supplier and recipient registered.—Despite section 17, a supply of services by a non-resident who is registered to a recipient who is registered is made in Bangladesh if—

- (a) the recipient carries on an economic activity at or through a fixed place in Bangladesh; and
- (b) the supply is made for the purposes of that economic activity or to that fixed place.

19. VAT Agent of non-residents.—(1) A non-resident who makes a taxable supply in Bangladesh and does not carry on an economic activity at a fixed place in Bangladesh shall appoint a VAT Agent.

(2) The VAT Agent of a non-resident shall have the responsibility for doing all things required of the non-resident under this Act and shall be jointly and severally liable for the payment of all taxes, fines, penalties, and interest imposed under this Act.

(3) The VAT registration of the economic activities by a VAT Agent shall be in the name of the principal.

(4) The Board may prescribe the manner, conditions of appointment and the responsibilities of a VAT Agent.

20. Imported services reverse charged to recipient.—(1) Despite anything contained in this Act imported supply of any service shall be taxable if—

- (a) the recipient is a person registered or required to be registered and acquires the service in his economic activities;
- (b) the service is made in Bangladesh by a person registered or required to be registered-

- (i) such service shall be taxable otherwise without being zero rated; and
- (ii) such recipient gets all credits against the VAT imposed on such service.

(2) VAT payable by the recipient of a taxable supply of imported services is both output tax and input tax of that person.

(3) If an adjustment event occurs in relation to a supply of imported services that is, or would be because of the adjustment event, a taxable supply, the recipient of the supply of services is treated as if it were also the supplier of the services.

(4) For the purposes of the definition of "imported services", and of the application of this Act in relation to such services, if a registered person carries on economic activities both at a fixed place in Bangladesh and at one or more fixed places outside Bangladesh—



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- (a) the person is treated as two separate persons corresponding respectively to the taxable activities the person carries on inside and outside Bangladesh;
- (b) the person outside Bangladesh is deemed to have made a supply of services to the person inside Bangladesh consisting of any benefit in the nature of services (as defined for the purposes of this Act) that is received by the person in Bangladesh through or as a result of the activities carried on by the person outside Bangladesh;
- (c) the time of the supply is determined on the assumption that a supply has been made; and
- (d) the value of the services is determined on the assumption that the supply was made by a non-resident outside Bangladesh to an associate in Bangladesh.

21. Zero-rated supplies.—(1) Notwithstanding anything contained in this Act, the following supplies shall be zero-rated, namely—

- (a) any supply specified in section 22 23 and 24; or
  - (b) any supply of a right or option to receive a supply that is zero-rated.
- (2) If a supply becomes both exempted and zero rated it shall be treated as zero rated without being exempted.

22. Land outside Bangladesh.—A supply of immovable property is zero-rated if the land to which the immovable property relates is outside Bangladesh.

23. Supplies of goods for export.—(1) Supply of any goods for export shall be zero-rated:

Provided that this sub-section shall not be applicable to the export of any goods for re-import or expected to re-import.

(2) The following supplies shall be zero-rated, namely—

- (a) if the goods are located outside Bangladesh at the time of supply and will not be imported into Bangladesh, or installed or assembled in Bangladesh, by the supplier;
  - (b) if the goods supplied after they are imported but before they are entered for home consumption are deemed to have been located outside Bangladesh at the time of supply;
  - (c) supply of any goods for the consumption outside Bangladesh to any traveller or any person coming from abroad by any seller holding the licence of selling duty-free goods;
  - (d) for each period of a lease, hire, license, or other supply of the use of goods that is treated as a separate supply, the supply is zero-rated if the goods are outside Bangladesh for the whole of that period:  
Provided that leased goods are treated as being in Bangladesh during a period of time when they are in international territory if the goods are in Bangladesh immediately before and after that time.
- (3) Subject to the following conditions, a supply of goods for the repair, maintenance, cleaning, renovation, modification, or any other similar work of any goods shall be zero-rated, namely—

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- (a) if the goods supplied are attached to or become part of those other goods, or become unusable or worthless as a result of being used in the services;
- (b) if the goods are temporarily imported into Bangladesh under the Customs Act; or
- (c) if the goods are brought temporarily into Bangladesh for receiving the services, and are exported from Bangladesh after the services have been performed without being used in Bangladesh for any purpose other than to enable the services to be performed.
- (4) Subject to the following conditions, a supply of goods for the repair or replacement of a goods under warranty shall be zero-rated, namely—
  - (a) if the supply is made under an agreement with, and for consideration given by, the warrantor, who is a non-resident and is not registered; and
  - (b) if the goods are repaired or replaced without any charge to the owner.
- (5) A supply of goods in the course of repairing, maintaining, cleaning, renovating, modifying, treating, or otherwise physically affecting an aircraft or ship engaged in international transport shall be zero-rated.
- (6) A supply of stores, or of spare parts for an aircraft or ship, shall be zero-rated, if the stores or parts are for use, consumption, or sale on the aircraft or ship during a flight or voyage that constitutes international transport.

Explanation: In this section, “stores” means stores for the use of the passengers or crew of an aircraft or of a ship, or for the service of an aircraft or of a ship, and also includes goods for use in the aircraft or ship, fuel, and spare parts, and other articles or equipment, whether or not for immediate use.

24. Supplies of zero rated services.—(1) A supply of services directly related to any land situated outside Bangladesh shall be zero-rated.
- (2) A supply of services physically performed on goods situated outside Bangladesh at the time when such services are rendered shall be zero-rated.
  - (3) Subject to the following conditions, a supply of services for the repair, maintenance, cleaning, renovation, modification, or treatment of any goods shall be zero-rated, namely—
    - (a) if the services are imported to Bangladesh under the Customs Act; or
    - (b) if the services are brought temporarily into Bangladesh for receiving the services, and are exported from Bangladesh after the services have been performed without being used in Bangladesh for any other purposes.
  - (4) A supply of services that is included in the customs value of an import of goods is zero-rated.
  - (5) A supply of services is zero-rated if the services are performed outside Bangladesh and the services are of a kind that is typically received by an individual at the time and place where it is performed.
  - (6) Subject to the provisions of sub-section (5), a supply of services shall be zero-rated, if—

- (a) the recipient of such supply is—
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- (i) a non-resident who stays outside Bangladesh at the time of supply; or  
(ii) a resident who is outside Bangladesh at the time of supply and who effectively uses or enjoys the services outside Bangladesh;  
and  
(b) the services are not—  
(i) directly related to any land situated in Bangladesh; or  
(ii) physically performed on any goods situated in Bangladesh at the time of supply;  
(iii) by global roaming services provided to a person temporarily outside Bangladesh..
- (7) A supply of services shall not be zero-rated under sub-section (4), if—  
(a) the supply of services is of a right or option to receive a subsequent supply (which would not be exempted or zero-rated) of something else in Bangladesh; or  
(b) the services are supplied under an agreement with a non-resident but are or shall be rendered to a person not registered in Bangladesh.
- (8) A supply of services that consist of the filing, prosecution, granting, maintenance, transfer, assignment, licensing, or enforcement of intellectual property rights for use outside Bangladesh shall be zero-rated.
- (9) A supply of telecommunications services by a telecommunications supplier to a non-resident telecommunications supplier is zero-rated.
- (10) Subject to the following conditions, a supply of services for the repair or replacement of goods under warranty shall be zero-rated, namely—  
(a) if the supply of services is made under an agreement with, and for consideration given by, the warrantor, who is not resident in Bangladesh and is not a registered person; and  
(b) if the services are provided without any charge to the owner.
- (11) The following supplies shall be zero-rated, namely—  
(a) a supply of services to any international transport;  
(b) a supply of insurance services to the international transport of goods;  
(c) a supply of the services of repairing, maintaining, cleaning, renovating, modifying, treating, or otherwise physically affecting an aircraft or ship engaged in international transport;  
(d) a supply to a non-resident who is not registered of services directly in connection with the operation or management of a ship or aircraft engaged in international transport; or  
(e) a supply of stevedoring services.

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25. Travel Agent and tour operators.—Despite anything contained in this Act the Board may decide whether a tourism supplies provided irrespective of in Bangladesh or not shall be zero rated or not and may prescribe rules determining the value of any tourism supplies that are zero rated in a tax period.

Explanation: For the purpose of this section "tourism supplies" means accommodation, meals, tours, entertainment, and similar things

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commonly provided to tourists or international visitors.

26. Exempted supplies, or imports.—Notwithstanding anything contained in this Act, the following supplies shall be exempted from VAT, namely-

- (a) any supply or import specified in the first schedule; or
- (b) any supply relating to a right or option to receive an exempted supply.

**CHAPTER FOUR**

**MANNER OF VAT COLLECTION**

**Part-A: On Imports**

27. Manner of VAT collection on taxable imports.—The Commissioner of Customs or Customs Officer shall collect VAT on the taxable imports in the same manner and at the same time as they collect customs duty on such imports under the Customs Act even if import duty is not imposable on such import.

28. Determination of value of taxable imports.—The value of a taxable import shall be the summation of the following amounts, namely-

- (a) the value of the goods determined for the collection of customs duty under the Customs Act; and
- (b) the amounts, if any, of customs duty, supplementary duty, or other tax (other than VAT and advance income tax) payable on the import of the goods.

29. Determination of value of re-imported goods.—Where goods are reimported after being exported for repair, then the value of the import of the goods shall be the amount of the increase in their value that is attributable to such repair, by adding to the cost of related freight and insurance, if the form, feature, character and quality of the goods has not been changed by such repair.

30. Imports for exports.—A goods which is not imported or released for home consumption but only for export shall not be subject to any tax.

31. Payment and adjustment of advance tax.—(1) Every person registered or required to be registered or enlisted person who makes a taxable import through his economic activities shall make payment of the VAT or turnover tax on the supply of such commercially imported goods in advance at the rate specified in sub-section (2).

(2) An advance tax, at the rate of 3 (three) percent of the value of the taxable import, shall be payable at the same time, and in the same manner as VAT is payable on a taxable import.

(3) Every registered or enlisted importer who has made a payment of advance tax may, in the prescribed manner, claim, in the return of the related tax period, a decreasing adjustment equal to the amount paid as advance tax.

(4) Any person who has paid an advance tax but is neither registered nor enlisted may, in the prescribed manner, make an application to the Commissioner for a refund of such advance tax.

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(5) On receipt of such application, the Commissioner shall, in the prescribed manner, dispose off it .

**Part-B: On General Supplies**

32. Determination of value of the taxable supply.—(1) Subject to this section the value of a taxable supply that is made in Bangladesh is the consideration for the supply,

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reduced by an amount equal to the tax fraction of that consideration.

(2) The value of a taxable supply of an imported service shall be the consideration of such supply or if the supplier and recipient are related persons, then the fair market price thereof shall be the value of such supply.

(3) Save and except any matter determined under sub-section (7) the value of a taxable supply a registered person makes to an associate is the fair market value of the supply, reduced by the tax fraction of that value, if—

(a) the supply is made for no consideration, or for a consideration that is lower than the fair market value; and

(b) the associate would not be entitled to a credit for all of the input tax incurred on the acquisition of the thing supplied.

(4) Unless otherwise specified, the value of a supply for no consideration shall be zero.

(5) The value of a supply that is not a taxable supply is the consideration for the supply.

(6) The value of a taxable supply of a sale of residential premises shall be determined in the prescribed manner.

(7) The value of taxable supply of immovable property by a partner of a property development joint venture to a landowner thereof shall be determined in the prescribed manner.

Explanations: In this section,—

(a) “residential premises” means any premises that are intended to be, or are capable of being, occupied as a residence, and includes any garage, or any similar space; but does not include any premises or part of premises used to provide commercial accommodation; and

(b) “commercial accommodation” means—

(i) any hotel, motel, inn, boarding house, guest house, hostel, or similar establishment in which lodging is regularly or normally provided to four or more persons in exchange of money; or

(ii) any other accommodation offered for occupation by individuals other than as their main residence;

but does not include any student hostel which is a part of an approved educational institution.

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33. Time of payment of VAT on taxable supplies.—(1) The VAT imposed on a taxable supply shall become payable on the earliest occurrence of any of the following events, namely—

(a) when such supply is made;

(b) when a tax invoice for such supply is issued; or

(c) when any part or full of the consideration for such supply is received.

(2) Where a progressive or periodic supply is treated as a series of separate supplies, any VAT imposed on each such supply becomes payable on the earliest of—

(a) if separate invoices are issued for each such supply, the day on which the applicable invoice is issued;

(b) the day on which any part of the payment corresponding to the supply is

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received;

(c) the day on which the payment corresponding to the supply is due; or  
(d) if the amount payable is certain at that time, the first day of the period to which the progressive or periodic payment relates.

(3) Notwithstanding the provision of sub-section (2), if a progressive or periodic supply of any goods (such as: water, gas, oil, electricity, or thermal energy) or services is made through a distribution network, the VAT shall become payable within 90 (ninety) days after the day on which the invoice for such each supply is issued.

34. Progressive or periodic supplies.—(1) Each supply of a progressive or periodic supplies shall be treated as a separate supply.

(2) If each supply of progressive or periodic supplies is not readily separable, such supply shall be treated as a series of separate supplies each corresponding to the proportion of the supply to which such separate part of the consideration relates.

(3) In relation to each part of a supply under a lease or other supply of a right to use any property, the time required continuously over the period of such lease or right of use shall be treated as time of supply.

35. Single and multiple supplies.—Where a supply consists of more than one element, tax shall be imposed complying the following criteria, namely-

(a) every supply shall generally be regarded as distinct and independent;

(b) a supply comprising a single supply from an economic point of view shall not be artificially split;

(c) the essential features of a transaction shall be ascertained by the technical professional to determine whether the supply is single or multiple;

(d) the supply, if constituted with one or more elements shall be a single supply, and other element shall be regarded as part of such single supply;

(e) a supply shall be regarded as ancillary to a principal supply, if it does not constitute an aim in itself for recipients, but is merely a means of better enjoying such principal supply.

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Part- C: On Special Supplies

36. Transfer of an establishment as a going concern.—(1) Where a person transfers any establishment of his economic activity as a going concern in Bangladesh, such transfer shall be treated as a single supply and such single supply shall not be regarded as supply made in Bangladesh.

(2) In the case of application of the provisions of sub-section (1) an economic activity sold as a going concern shall be continued to operate; and the purchaser shall acquire the going concern in the course of, or for the purposes of, an economic activity it carries on or will carry on after the sale.

(3) If part of an establishment of a going concern is capable of being operated separately, it shall be regarded as a separate economic activity.

(4) In the case of application of the provisions of sub-section (1) for the purposes of working out the supplier’s entitlement to input tax credits—

(a) any input tax incurred in acquiring services for the purposes of making

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the transfer shall be treated as relating to those supplies; and

(b) the value of the supply of the going concern shall not be included in the calculations in section 47.

(5) No person shall transfer an economic activity as a going concern without making full payment of all taxes due and payable.

(6) Notwithstanding sub-section (5), a Commissioner may, subject to such conditions and such limits as may be prescribed, permit the transfer, if the purchaser submits an unconditional bank guarantee from a scheduled bank for full payment of all taxes due and payable.

(7) From the date of the transfer, the purchaser shall be treated as the successor of the supplier and the Board may make such rules as are necessary to ensure that the supplier provides the purchaser with the information necessary to comply with this Act accordingly.

37. Rights, options, and vouchers.—(1) If a right or option is exercised, the consideration against the supply made in exercise of such right or option shall be limited to the additional consideration, if any, given for that supply or in connection with the exercise of such right or option.

(2) Where a voucher is accepted as payment, in part or full, for a supply; the consideration for such supply shall be limited to the remaining amount after subtracting the value of such voucher.

(3) Nothing of sub-section (2) shall apply to a voucher which is not a taxable supply.

Explanation: In this section, “voucher” means a voucher, ticket, acknowledgement or any similar document issued electronically by which the holder thereof acquires the right to have the

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supplies of any goods, immovable property, or services, but does not include a postage and revenue stamp.

38. Supply of prepaid telecommunications products or services.—(1) Where a telecommunications supplier supplies a prepaid telecommunications product at a discount to a telecommunications intermediary, the consideration for such supply shall be calculated inclusive of the discount;

Provided that in relation to a supply of telecommunications product or service by one supplier to another, the provision of sub-section (2) shall not be applicable.

(2) Where a telecommunications intermediary buys and on-sells a prepaid telecommunications product, such sale shall not be treated as a taxable supply.

(3) Where a telecommunications supplier supplies a prepaid telecommunications product or services through its agent, the consideration for such supply by the telecommunications supplier shall be calculated inclusive of the commission paid to such agent.

(4) A supply of telecommunications product by a telecommunications intermediary acting as an agent for a telecommunications supplier or another telecommunications intermediary, in relation to the distribution of a prepaid telecommunications product, shall not be treated as a supply under this Act.

(5) A telecommunications supplier who supplies a prepaid telecommunications

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product and pays VAT in accordance with the requirements of this section may claim a decreasing adjustment, if—

- (a) part or full of the face value of the product is used to purchase something from a person other than the telecommunications supplier;
- (b) the other person—
  - (i) makes the supply through an economic activity carried on in Bangladesh; or
  - (ii) is registered; and
- (c) the telecommunications supplier pays an amount of money to such other person in respect of such supply.
- (6) The amount of the decreasing adjustment shall be equal to the tax-fraction of the amount paid to the other person, and the adjustment shall be claimed in the tax period in which the payment is made.
- (7) The Board may frame rules prescribing the means of evidencing a right to an input tax credit and the manner of claiming tax credit thereof for a person who uses a prepaid telecommunications product or services.

Explanations: In this section,—

- (a) “prepaid telecommunications product” means a phone card, prepay card, recharge card, or prepayment, however described and in whatever form, for telecommunications services, including but not limited to airtime, internet access time, or download capacity;
- (b) “telecommunications intermediary” means a person who acts as a distributor, representative, agent, or other intermediary in relation to the supply of a prepaid telecommunications product;
- (c) “telecommunications supplier” means a supplier of telecommunications services, but does not include a telecommunications intermediary; and
- (d) “telecommunications service” means a transmission, emission, or reception of signals, writing, images, sounds, or information of any kind by wire, radio, optical, or other electromagnetic or similar system, and also includes—
  - (i) a transfer or assignment of the right to use capacity for such transmission, emission, or reception; and
  - (ii) the provision of access to global or local information networks; but does not include the supply of underlying writing, images, sounds, or information.

39. Lotteries, lucky draws, housie, raffles, and similar undertakings.—(1)

Where a person runs a lottery, lucky draw, housie, raffle, or similar undertaking, then the consideration of tickets (however described) sold by such person shall be the price of the ticket.

(2) The price of the tickets sold at a discount to distributors or agents shall be calculated exclusive of the discount.

Explanation: In this section, "price of the ticket" means the amount that is paid by a person seeking to hold the ticket and participate in the undertaking with a chance to win.



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40. Value of in-kind benefits given to an employee or officer.—(1) Where a person registered or required to be registered makes a supply of an in-kind benefit in lieu of any cash to his employee or officer, the price of such in-kind benefit shall be taxable one.

(2) In relation to a supply of goods, services or immovable property made without consideration or with a consideration less than the fair market price thereof by a person registered or required to be registered to his employee or officer, the fair market price of such supply shall be the value thereof.

41. Lay-by sales.—(1) Where a supply of goods is made under a lay-by agreement, then—

(a) the output tax payable on such supply shall become payable when payments for such supply are made and shall be accounted for in each tax period in which a payment is made; and

(b) the amount of output tax to be accounted for in each tax period shall be the tax-fraction of the payments made in that period.

(2) Where a supply of any goods is made under a lay-by agreement, separate tax invoice shall be required to be issued against payment of each instalment.

42. Cancelled transactions.—(1) If a transaction for a supply is cancelled, and part of the consideration previously paid is kept by the supplier, then no adjustments in such case of cancellation shall be claimed for the amount kept at the time of giving the consideration back.

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(2) If a transaction for any supply is cancelled, and the supplier takes an amount back from the recipient as a consequence of such cancellation, the amount so taken back shall be regarded as a consideration of such supply for the tax period when the amount is taken back, and on which tax shall be payable.

43. Sale of property in satisfaction of a debt.—(1) Where a person (the creditor) makes a supply of the property of another person (the debtor) in full or partial satisfaction of a debt owed by the debtor to the creditor,—

(a) the supply is deemed to have been made by the debtor;

(b) the creditor is liable to pay the VAT, if any, payable on the supply; and

(c) the VAT is payable in priority to the satisfaction of the debt and the return to the debtor of any part of the proceeds that is surplus to the debt.

(2) The debtor is jointly and severally liable with the creditor for the VAT payable.

(3) A creditor who is not registered but is required to pay VAT because of this section shall pay the VAT at such time, and in such manner and mode, as the Board prescribes.

44. Vending machines.—(1) Where a taxable supply of any goods is made through a vending machine, meter, or other similar automatic device (other than a pay telephone) that is operated by a coin or note, then the tax shall become payable at the time when the coin or note is taken out from such vending machine, meter, or other automatic device by the supplier or any person on his behalf.

(2) Where a taxable supply is made through a vending machine, meter, or other automatic device, and payment is made in a prescribed mode of such supply, the tax shall become payable at the time when the recipient of such supply makes the payment to the

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supplier.

**CHAPTER FIVE**

**ASSESSMENT OF NET PAYABLE TAX BY THE TAXPAYER AND PAYMENT THEREOF**

45. Manner of assessing net payable tax on supplies, and payment thereof.—(1)

The net payable tax, for any tax period, shall be assessed by a taxpayer in the following manner, namely—

- (a) all of the output taxes and supplementary duty payable in such tax period shall be added together;
- (b) all of the input tax credits entitled to claim in such tax period shall be subtracted from the amount assessed under clause (a); and
- (c) all of the increasing adjustments required to be made in such tax period by the taxpayer shall be added to; and
- (d) all of the decreasing adjustments allowed to be made in such tax period by the taxpayer shall be subtracted to. .

(2) The net payable tax assessed under sub-section (1) shall, in the prescribed manner, be paid by the taxpayer before filing the return for such tax period.

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46. Input tax credit.—(1) Except as provided otherwise, a registered person is entitled to an input tax credit for the VAT imposed on a taxable supply or import if, —

- (a) the supply was made to, or the import was made by, the person in the course of the person’s economic activity; and for the purpose of taxable supplies made, or to be made by, the person; and
- (b) in the case of a supply: the person paid, or is liable to pay, the consideration for the supply.

(2) No input tax credit shall, in the following cases, be claimed, namely-

- (a) if the value of any taxable supply exceeds Taka 1,00,000 (one lakh); and
- (b) if full or part of the consideration against any supply is paid by cash other than a banking channel.

(3) No credit is allowed for input tax incurred on an acquisition or import if,—

- (a) the acquisition or import is of a passenger vehicle, or of spare parts or repair and maintenance services for a passenger vehicle, unless the person’s economic activity involves dealing in, hiring out, or providing transport services in passenger vehicles and the vehicle was acquired for that purpose;
- (b) the acquisition or import is of entertainment or is used to provide entertainment, to the extent of that use, unless the person’s economic activity involves providing entertainment and the entertainment is provided in the ordinary course of that economic activity;
- (c) the acquisition is of a membership or right of entry for any person in a club, association, or society of a sporting, social, or recreational nature; or
- (d) the acquisition is of transport services, other than when acquired to supply transport services as an in-kind benefit to an employee and subject to tax under section 40;
- (e) the acquisition is of dutiable goods that are subject to a special scheme

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imposed by the Board under section 58.

(4) At the time of filing return by a registered person, the following documents are required to be submitted in support of an input tax credit claimed, namely-

(a) in the case of import: a bill of entry bearing the name of the importer and the business identification number, and a clearance instrument issued by the Customs Authority certifying it to be for home consumption;

(b) in the case of a supply: a tax invoice issued by the supplier;

(c) in case of a withholding entity: a combined tax invoice and withholding certificate issued by the supplier.

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(5) The recipient of supply of any imported service shall not be entitled to claim an input tax credit against such supply unless he includes in the return the output tax imposed on the supply of such imported service.

(6) Every claim of an input tax credit by a registered person shall be made either in the tax period in which VAT becomes payable or in any one of the two succeeding tax periods, and such claim of input tax credit thereafter shall be time-barred.

47. Partial input tax credit.— (1) Where a registered person pays or is liable to pay only part of the consideration for a taxable supply, any input tax credit to which the person is entitled shall be calculated only by reference to the amount the person pays or is liable to pay.

(2) A registered person who, in a tax period, is entitled to an input tax credit for an import or acquisition but is not entitled to the full input tax credit, shall determine its entitlement to input tax credits for all such imports or acquisitions under sub-section (3).

(3) For each tax period, the sum of the input tax credits allowed for the imports or acquisitions to which this section relates is calculated according to the following formula—

$$\frac{I \times T}{A}$$

where—

I is the total amount of input tax incurred on imports or acquisitions to which this sub-section relates and for which a credit is sought in the tax period;

T is the value of all the taxable supplies made by the registered person during the tax period; and

A is the value of all the supplies made by the registered person during the tax period.

(4) For the purpose of this section, the Board may determine-

(a) which input shall be included in the formula;

(b) when and how  $T/A$  fraction shall be rounded up or down to full number;

(c) the annual adjustment made at the end of each calendar year;

(d) the manner of having partial tax credit by the suppliers of financial services;

(e) the actual use of any property with the claimed input tax credit in relation to additional adjustment made against capital asset.

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48. Adjustments.—If an adjustment event occurs, a taxpayer may, at such amount, on such terms, within such time and in such manner as may be prescribed, claim adjustments in the following cases , namely-

- (a) an increasing or decreasing adjustment in respect of withholding tax;  
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- (b) an increasing or decreasing adjustment allowed to an annual re assessment;
- (c) an increasing adjustment, if payment is not made through banking channels;
- (d) an increasing adjustment for any goods applied to a private use;
- (e) an increasing adjustment of input tax and VAT on being registered;
- (f) an increasing adjustment on cancellation of registration;
- (g) an increasing adjustment for the payment of any interest, monetary penalty, fine, fee, etc;
- (h) a decreasing adjustment in relation to second-hand goods purchased for re-sale;
- (i) a decreasing adjustment in relation to a policy of insurance;
- (j) a decreasing adjustment in relation to a lottery, lucky draw, raffle, or similar undertaking;
- (k) an increasing or decreasing adjustment for the change in the VAT rate;
- (l) a decreasing adjustment allowed for a negative amount carried forward from a previous tax period;
- (m) a decreasing adjustment allowed for VAT overpaid in a previous tax period; or
- (n) any other prescribed increasing or decreasing adjustment.

49. Tax withheld at source and increasing adjustment by withholding entity.—

- (1) Subject to the provisions of sub-section (2), if a supplier other than a withholding entity makes a supply which is not exempted or zero rated to a withholding entity for a value of more than Taka 10 (ten) thousand under an agreement or tender or work order, then the withholding entity shall, at source, withhold an one-third portion of the tax assessed on such supply from such supplier.
- (2) If a supplier is not registered or enlisted, and if a combined tax invoice and withholding certificate are not submitted, then the withholding entity shall not receive any supply from such supplier and pay any price against such supply to the supplier.
- (3) A withholding entity may claim an increasing adjustment for an amount of VAT withheld at source, and shall pay the VAT withheld within such time and in such manner as may be specified below, namely—
  - (a) for a registered withholding entity: at the time of filing the return for the tax period during which the amount of VAT was withheld on the supply; and
  - (b) for a withholding entity not registered: within the prescribed time and in the prescribed manner.
- (4) For the tax withheld at source and for the payment thereof to the government exchequer, the withholding entity shall be jointly and severally liable, with the supplier.

50. Decreasing adjustment by the supplier after tax withheld at source.—(1) If

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a tax is withheld at source, then the supplier who is registered may, in the prescribed manner, claim a decreasing adjustment for the same amount of tax withheld at source.  
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(2) An adjustment shall be claimed in the tax period in which the tax is withheld at source or within six months from the ending date of such tax period and the claim of such adjustment after such period shall be time-barred.

(3) No decreasing adjustment shall be claimed by a supplier if he does not issue a combined tax invoice, and withholding certificate in favour of the withholding entity.

**CHAPTER SIX**

**TAX INVOICES AND OTHER DOCUMENTS**

51. Tax invoices.—(1) Every registered person shall, at the date when the taxable supply is made, issue a serially numbered tax invoice containing the following information, namely—

- (a) the date and time on which it is issued;
- (b) the name, address and business identification number of the supplier;
- (c) the name, address and business identification number of the buyer if the value of the supply is more than 25 000.00 (twenty five thousand);
- (d) the description, quantity of goods supplied and, actual time and date of supply;
- (e) the value of the supply (exclusive of VAT);
- (f) the VAT rate applicable to the supply;
- (g) the amount of VAT payable;
- (h) the summation of the price of supply and VAT payable; and
- (i) any other information prescribed by the Board.

(2) No input tax credit shall be claimable if the information specified in clause (c) of sub-section (1) is not included in a tax invoice.

(3) Where the provisions of section 53 shall apply the provisions of this section shall not apply .

52. Credit notes and debit notes.—(1) Every credit or debit note shall include the following information, namely—

- (a) the serial number, time and date on which it is issued;
- (b) the name, address and business identification number of the supplier;
- (c) the time and date and serial number of the original tax invoice;
- (d) the nature of the adjustment;
- (e) the effect on the amount of VAT; and
- (f) the name, address and business identification number of the recipient of the supply if the amount of VAT payable on the supply is more than 5 000.00 (five thousand); and
- (g) any other information necessary to identify the amount of any increasing or decreasing adjustments because of the adjustment event.

(2) If a credit note does not contain the information specified in clause (f) of subsection (1), it shall not be used in support of a claim for any decreasing adjustment.

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53. Combined tax invoice and withholding certificate.—(1) A registered person, other than a withholding entity, who makes a supply to a withholding entity shall, on or

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before the date of making such supply, issue to the withholding entity a combined tax invoice containing the prescribed information, and a withholding certificate for such supply.

(2) Every combined tax invoice, and withholding certificate shall be issued, in such form and manner as may be prescribed by the Board.

(3) Every copy of the combined tax invoice, and withholding certificate which is required to be attested by a withholding entity shall be preserved by the supplier along with its own records.

54. Other provisions relating to tax document.—The Board may frame rules in respect of tax documents and issuance of copies thereof, and of terms of preservation, manner and time limits of submission thereof.

**CHAPTER SEVEN**

**IMPOSITION AND COLLECTION OF SUPPLEMENTARY DUTY**

55. Imposition of supplementary duty.—(1) Supplementary duty shall be imposed on the import of supplementary dutiable goods, on the supply of supplementary dutiable goods manufactured in Bangladesh and on the supply of supplementary dutiable services made in Bangladesh.

(2) Notwithstanding anything contained in sub-section (1), no supplementary duty shall be imposed on an import of a dutiable goods if the goods are imported for export but not for home-consumption.

(3) Notwithstanding anything contained in sub-section (1), no supplementary duty shall be imposed on a supply of supplementary dutiable goods or services that are zero rated under Chapter three of this Act.

(4) The amount of supplementary duty payable shall be,—

(a) if a rate of supplementary duty is specified for the dutiable goods or services in the column (4) of the second schedule: the amount arrived at by multiplying the dutiable value of the goods or services by such rate;  
or

(b) if a specific amount of supplementary duty is specified for the dutiable goods or services in the column (4) of the second schedule: such amount.

(5) Supplementary duty on the supply of supplementary dutiable goods or services is imposed at only one stage.

56. Persons liable to pay supplementary duty.—Every person specified below shall be liable to pay supplementary duty, namely—

(a) in the case of import of supplementary dutiable goods: the importer;

(b) in the case of supply of supplementary dutiable goods manufactured in Bangladesh: the supplier; or

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(c) in the case of supply of supplementary dutiable services made in Bangladesh: the supplier of such services unless otherwise provided.

57. Supplementary duty imposed value.—For the purposes of imposing supplementary duty, the value of supplementary dutiable goods or services shall be as follows, namely-

(a) in relation to any imported supplementary dutiable goods, the value that

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is arrived at adding customs duty and regulatory duty (if any) with the value of imposing customs duty under section 25 or 25(a) of the Customs Act;

(b) in relation to any supply of supplementary dutiable goods or services, the value that is arrived at by deducting the supplementary duty from the amount determined under section 32, which does not include VAT and supplementary duty, received by the producer or manufacturer from the purchaser:

Provided that if the supply of any supplementary dutiable goods or services is made without any consideration or with inadequate consideration, the value that is arrived at by deducting supplementary duty from the tax fraction of market fair price of such supply;

(c) in relation to any goods where VAT is imposed on the basis of retail prices, the retail price described in section 58(2) shall be regarded as the supplementary duty imposable value.

58. Special schemes for tobacco and alcoholic goods.—(1) For the purposes of imposing and paying supplementary duty on the following supplementary dutiable goods manufactured in Bangladesh, the Board may, subject to the provisions of this Act or any rule made thereunder, make a special scheme to be complied with by the manufacturer of such goods, namely-

(a) tobacco made products including similar blended products; or  
(b) alcoholic beverages, ingredients for alcoholic beverages, or similar products.

(2) The Board may, by such special scheme, set a maximum retail price for the goods, which shall be deemed as the dutiable value of the goods.

(3) Such special scheme shall include the following matters, namely-

(a) matters in relation to the package, pot, bottle, or other container in which the goods are supplied including a stamp, banderol, or special sign or mark of a particular size and design, manifesting measures of security; and  
(b) matters in relation to the use, distribution, preservation, supervision, observation, accounting, and packaging of stamps, banderols, or special signs or marks.

59. Collection of supplementary duty on imports.—(1) The supplementary duty on an imported dutiable goods shall be collected at the same time, and in the same manner, as the customs duty on such goods is collected.

(2) Save as otherwise provided in any provision of this Act, in relation to an imported goods, for the purposes of collecting and paying the supplementary duty, the [www.vatbd.com](http://www.vatbd.com) Page 34 12/26/2012

provisions of the Customs Act shall, with necessary modifications, and adaptations, apply in such a way as if the supplementary duty payable on imports were a customs duty.

(3) Without prejudice to the provision of sub-section (2), the amount of any bond or guarantee required under the Customs Act shall be calculated as if the supplementary duty payable on imports were a customs duty.

60. Collection of supplementary duty on supplies.—(1) Supplementary duty imposed on a supply of dutiable goods or services shall become payable at the same time

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when VAT becomes payable on such supply.

(2) Every person who is liable to pay supplementary duty shall, in the VAT return, include the information about the supplementary duty.

61. Presumed supply of dutiable goods.—(1) If a person who manufactures any dutiable goods fails, at the time of enquiry, to account for the quantity of such goods, such person shall be presumed to have supplied such goods for the fair market price thereof.

(2) If any goods are destroyed or damaged for any one of the following reasons, and if such goods are not insured, then no supplementary duty shall be payable, namely-

- (a) destroyed or damaged by fire or other natural causes; or
- (b) deteriorated, or damaged, and disposed off without being supplied to another person:

Provided that if the goods so destroyed or damaged are insured, then the supplementary tax shall be payable in such manner and on such rate as may be prescribed.

62. Decreasing adjustments for supplementary duty.—An importer of any dutiable goods may, within such time and in such manner as may be prescribed, claim a decreasing adjustment for the supplementary duty paid by him on the import if the goods are imported in compliance with the conditions of a drawback of duties under the Customs Act.

#### CHAPTER EIGHT

#### IMPOSITION AND COLLECTION OF TURNOVER TAX

63. Imposition and collection of turnover tax.—(1) Every person enlisted or required to be enlisted shall pay turnover tax at the rate of 3 (three) percent on the turnover of his economic activities:

Provided that the amount of the advance tax paid shall be adjusted by such person with the amount of turnover tax.

(2) The turnover tax payable in a tax period by any enlisted person shall be paid before filing the return.

(3) Manners in respect of assessment and collection of the payable turnover tax, of keeping accounts, of claiming refund or adjudication thereof, and other ancillary matters shall be determined by rules.

#### CHAPTER NINE

#### FILING OF RETURN AND AMMENDMENTS THERETO

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64. Filing of return.—(1) Every registered or worth of being registered or enlisted or worth of being enlisted person shall, in such manner as may be prescribed by the Board, file the return for each tax period within 15 (fifteen) days before such tax period ends,.

(2) A VAT return to be filled shall also specify the information relating to the payment of supplementary duty thereon.

65. Late filing of return.—The Commissioner may, on an application made within such time, on such terms and in such manner as may be prescribed, grant a person permission to file a return late, but the permission does not extend the due date more than 1 (one) month for the payment of the net payable tax for the tax period or the liability to



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pay interest.

66. Amendments to return.—The Commissioner may, on an application made by the tax payer within such time, on such terms and in such manner as may be prescribed, grant such tax payer a permission to file an amended return after removing the clerical mistakes and omissions from such return; but the Board may determine the cases for which decreasing adjustment may arise as a result of any amendment made under this section and the cases where returns may be filed without paying monetary penalty.

67. Filing of complete, additional, or alternative returns.—The Commissioner may, upon a notice, pass an order directing a person to file, within such time, on such terms and in such manner as may be prescribed a complete, additional, or alternative return for a tax period; and such order may also be passed if the registered person has not filed a original return for the period.

**CHAPTER TEN**

**CARRY FORWARD OF NEGATIVE NET AMOUNT AND REFUNDS**

68. Carry forward and refund of negative net amount for a tax period.—(1) If, the amount payable in any tax period becomes negative amount because the sum of all the input tax and decreasing adjustments allowed in the tax period exceeds the sum of all the amounts of output tax, supplementary duty, and increasing adjustments for such tax period, then—

(a) in relation to an economic activity involving construction, house building, land development, or property development: the excess amount shall be carried forward indefinitely and may be deducted in subsequent tax periods in accordance with this section; and

(b) in relation to other cases: the excess amount shall be carried forward and may be deducted over the following 6 (six) tax periods, after which any remaining excess shall be refunded in accordance with this section.

(2) In relation to an economic activity involving construction, house building, land development, or property development, every registered person shall be allowed a decreasing adjustment for an excess amount carried forward from the previous tax period.

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(3) Where sub-section (2) does not apply, a registered person shall be allowed a decreasing adjustment for excess amounts carried forward from earlier tax periods as follows—

(a) in a subsequent tax period, the amount payable for the period shall be determined by taking account of all output tax and all adjustments other than adjustments allowed under this section;

(b) if the result is a positive amount—

(i) the person shall be allowed a decreasing adjustment for such part of an excess amount carried forward from earlier tax periods as would reduce the amount payable to nil; and

(ii) the excess amounts shall be taken into account in chronological order, with the adjustment for the oldest being taken into account first and the most recent being taken into account last;

(c) amounts from earlier tax periods that cannot be adjusted under paragraph (b) are carried forward again until—

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- (i) all of the excess amount carried forward for a period has been deducted; or
- (ii) part or all of the excess amount for a particular period has been carried forward for six tax periods.
- (4) If part or all of the excess amount has been carried forward for 6 (six) tax periods without being credited—
- (a) if the amount does not exceed taka fifty thousand (50,000), the amount shall continue to be carried forward until it is reduced to nil; or
- (b) in any other case, the Commissioner shall refund the amount, on application in the form and manner prescribed, within 3 (three) months after the date of the application.
- (5) Where a person carries on both economic activities involving construction, house building, or property development and other economic activities; all negative net amounts shall be carried forward in accordance with sub-section (2) unless the person is separately registered under section 5 in respect of those construction, house building, or property development activities and those other economic activities.
- (6) The Board may make rules prescribing a phased reduction in the number of tax periods for which negative amounts shall be carried forward, including rules for the phased inclusion of the construction, house building, and property development sector in the rules applicable to other sectors.
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69. Refunds without carry forward.—(1) Notwithstanding section 68, a registered person shall be entitled to a refund of a negative amount if the Commissioner is satisfied that—
- (a) fifty percent or more of the person’s turnover is or will be from supplies that are zero-rated under Chapter Three;
- (b) fifty percent or more of the person’s expenditure on inputs is from acquisitions or imports that relate to making supplies that are zero-rated under Chapter Three; or
- (c) in any other case, the Commissioner is satisfied that the nature of the person’s economic activity (the economic activity to which sub-section (2) of section 68 0 does not apply), regularly results in excess input tax credits.
- (2) On application for a refund in the manner and terms of this section—
- (a) if the amount does not exceed taka fifty thousand (50,000), the amount shall be carried forward as a decreasing adjustment in the next tax period; or
- (b) in any other case, the Commissioner shall refund the amount within 3 (three) months after the date of the application.
70. Application and payment of refunds.—(1) No refund shall be payable to a person under section 68 or 69 unless and until the applicant has filed all VAT returns up to the current tax period.
- (2) If a refund is payable to a person, the Commissioner may apply the refund first in reduction of any outstanding liability of the person for taxes (including interest, monetary penalties, or fines) payable under this Act.

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(3) If the amount remaining after applying sub-section (2) does not exceed taka fifty thousand (50,000), the Commissioner may choose not to refund the amount and may instead require the registered person to treat the amount as a decreasing adjustment in a tax period prescribed by the Board.

71. Refund of tax paid by diplomats, and other international bodies.—(1) The Commissioner may, within such time, on such terms and in such manner as laid down in this Act or any rule made thereunder, grant refund of the tax payable on the following supplies, namely-

- (a) a supply exempted from VAT under any convention for the time being in force in Bangladesh or any similar international agreement;
- (b) a supply made to any diplomatic or consular mission of a foreign country established in Bangladesh for the official purposes of such mission.

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(2) Exemptions from VAT shall be dealt with by refund and not by exempting or zero-rating the supply made to the person referred to in sub-section (1).

72. Refund or adjustment of the excess amount overpaid.—A person who has paid a tax for a tax period that exceeds the amount shown on his return may, within such time, on such terms and in such manner as may be prescribed, make an application for the refund or claim a decreasing adjustment in the next return, of such excess payment.

#### CHAPTER ELEVEN

#### TAX DETERMINATION BY COMMISSIONER

73. Tax determination.—(1) In the following cases, the Commissioner may, after giving a person an opportunity of being heard, determine the amount of tax payable by such person, namely—

- (a) if, on examining a return, the Commissioner is not satisfied as to the accuracy of such return or reasonably believes that—
  - (i) on such return, the person has made false or wrong statement in respect of output tax, supplementary duty, or an increasing adjustment or a decreasing adjustment, or has illegally claimed an input tax credit or a decreasing adjustment; or
  - (ii) on a turnover tax return, the person has made a false statement in respect of his turnover for any tax period;
- (b) if the person fails to file a return within the prescribed time; or
- (c) if the person fails to pay the tax payable ; or
- (d) if the person has been paid a refund or given a drawback to which the person was not entitled.

(2) In the cases specified in sub-section (1), the Commissioner shall, within 45 (forty-five) days of making a tax determination or amended tax determination, serve a notice which shall, along with other necessary particulars, contain the following particulars, namely—

- (a) the reason for such tax determination, the amount of tax payable as a result of the determination, and the basis on which that amount was determined;
- (b) the date on which the tax becomes due and payable, which shall not be

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earlier than 15 (fifteen) days after the date on which the notice is served; and

(c) the time, and place of filing appeal against such determination.

(3) The Commissioner shall not make a tax determination including an amended tax determination, more than 5 (five) years after the end of the tax period, unless—

(a) a registered person commits a fraud or wilfully neglects in filing return; or does not file the return for any tax period; or claims a refund

fraudulently for such tax period; or

(b) a registered person conceals or distorts any information for evading tax; or issues tax invoice with false information or intentionally commits

these offences or any other offence;

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(c) an amended tax determination is required to give effect to a decision of the Appellate Tribunal or a Court or VAT Authority.

(4) Nothing of this section shall, in the following cases, prevent a Commissioner from imposing and collecting any interest or monetary penalty, namely-

(a) in the case of computation from the original due date for payment of the VAT, supplementary duty, or turnover tax payable; or

(b) in the case of computation from the date on which a refund was paid to the person if the tax determination arises because the person was paid a refund to which the person was not entitled.

74. False declaration by the recipient of a supply.—(1) If a supplier incorrectly treats a taxable supply as an exempted or zero-rated one by dint of a false declaration on the part the recipient of such supply, the Commissioner may, after giving the recipient an opportunity of being heard, make a tax determination against such recipient of such supply, for payment of the VAT due in respect of such supply, including any interest or monetary penalty payable as a result of the late payment of the VAT, and such tax determination shall be treated as a determination of VAT payable by such recipient registered or not.

(2) The Commissioner shall serve, to the recipient of a supply, a notice of tax determination which shall, in addition to other necessary information, contain the following information, namely-

(a) the reason for such tax determination;

(b) the amount of VAT payable as a result of such tax determination;

(c) the date on which such VAT is due and payable; and

(d) the time, and place of filing appeal against such tax determination.

(3) Nothing of sub-section (1) shall prevent a Commissioner from recovering the VAT, interest, or monetary penalty due from a supplier in respect of any supply, and from recovering a part amount thereof from the supplier and other part from the recipient.

(4) As a result of any fraudulent or false statement made by a recipient of a supply, if a supplier pays to the Commissioner an amount of VAT, interest, or monetary penalty for such supply, he may recover the amount so paid from the recipient of such supply.

75. False statement by supplier.—(1) Where a person who is not registered makes a supply and issues to the recipient a document purporting to be a tax invoice or other document representing that the supply is a taxable one, then the supply shall be deemed

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to be a taxable supply, and if such person a registered one, then the rate that would have been applicable to such supply shall be applicable:

Provided that if higher rate is shown or understood in the documents, the higher rate shall be applicable.

(2) The Commissioner shall, after giving an opportunity of being heard, make a tax determination treating the supply as a taxable one.

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76. Grant or negation of tax benefit .—(1) If a person takes or is likely to take a tax benefit in connection with the scheme in a manner that constitutes a misuse or abuse of the provisions of this Act, then the Commissioner, after giving such person an opportunity of being heard, may, in such cases, and manner as may be prescribed, pass a proper order for ascertaining the reasonability of such tax benefit and may fix the liability of the person taking the tax benefit in such manner as if the scheme is not adopted or effected.

(2) For the purpose of this section, "Scheme" includes a course of action and an agreement, arrangement, promise, plan, proposal, or undertaking, whether express or implied and whether or not legally enforceable.

77. Admissibility of tax determination notice.—(1) Every original or attested copy of a notice of tax determination shall be admissible in a proceeding as a conclusive proof that the determination has been duly made and, except in proceedings in relation to tax determination, that the amount and all particulars of the determination are correct.

(2) No tax determination made, or executed may be quashed or deemed to be void or voidable for not being made or executed in the prescribed forms.

(3) No tax determination shall be affected or impaired for any omission, or mistakes or defects therein, if it is in conformity with this Act, and the name of person assessed or intended to be assessed is cited in it according to common understanding.

## CHAPTER TWELVE

### VALUE ADDED TAX AUTHORITY

78. Value Added Tax Authority, and officers thereof.—(1) For the purposes of this Act, there shall be an authority to be called the Value Added Tax Authority which shall be constituted with the Board, one or more Value Added Tax Offices thereof and the officers specified below, namely—

- (a) Chief Commissioner, Value Added Tax;
- (b) Commissioner, Value Added Tax;
- (c) Commissioner (Appeal), Value Added Tax;
- (d) Commissioner (LTU), Value Added Tax;
- (e) Director General, Central Intelligence Cell;
- (f) Director General (Audit, Intelligence, and Investigation Directorate), Value Added Tax;
- (g) Additional Commissioner or Additional Director General, Value Added Tax;
- (h) Joint Commissioner or Director, Value Added Tax;
- (i) Deputy Commissioner or Deputy Director, Value Added Tax;
- (j) Assistant Commissioner or Assistant Director, Value Added Tax;
- (k) Revenue Officer, Value Added Tax;

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- (l) Assistant Revenue Officer, Value Added Tax; and  
(m) any other officers appointed by the Board.  
(2) The Board may, by special or general order published in the official Gazette, appoint the VAT officers and specify, determining the local jurisdiction thereof, the responsibilities, duties, powers, and functions of such officers under this Act or any rule made thereunder.

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- (3) Either for the whole or any specific area of the country, the Board may, by special or general order published in the official Gazette, constitute one or more large taxpayers' units for any class of taxpayers, and appoint necessary numbers of officers thereto, and prescribe the rules of functions of such units.

79. Duties and responsibilities of the VAT Authority.—(1) The Board shall carry out all the functions, including the policy making functions, and discharge all the duties and exercise all the powers of the VAT Authority.

(2) The VAT officers, having been under control, supervision and surveillance of the Board, shall perform all or any of the functions, discharge all or any of the responsibilities and duties, and exercise all or any of the powers as described below, namely—

- (a) any function relating to tax collection and keeping accounts thereof;  
(b) any function to apply the provisions of this Act or any rule made thereunder and administrative functions thereof; and  
(c) any functions or duties or responsibilities assigned to them by the Board to carry out the purposes of this Act.

(3) Subject to such limits and conditions as may be determined by the Board, by a special and general order, the VAT officers shall,—

- (a) perform such functions, discharge such responsibilities and duties, and exercise such powers as may be conferred upon them under this Act or any rule made thereunder, and perform such functions, discharge such responsibilities and duties, and exercise such powers as may be given by any senior officer upon any junior officer; and  
(b) perform such functions, discharge such responsibilities and duties, and exercise such powers as may be assigned to the junior officer by any senior officer.

80. Power of the Board to amend the order or decision of the VAT officer.—The Board may, suo moto, call for, in such manner and within such time as may be prescribed, the records of any proceeding disposed off or any order passed or any decision taken by any VAT officer, for scrutinising the reasonability of such proceeding, order or decision, and may pass such order as it deems fit after such scrutiny: Provided that the rights or liabilities of any person determined under this Act shall not be affected by such order.

81. Delegation of Power—(1) The Board may, by notification in the official Gazette, subject to such limitations or conditions as may be specified in such notification, delegate to any VAT officer, by name and designation, any responsibility, duty or power of a Commissioner under this Act or any rule made thereunder.

(2) Unless the Board otherwise directs, a Commissioner or Director General may

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pass an order giving his sub-ordinate VAT officers all or any of his powers to exercise in all or any part of the jurisdiction of such Commissioner or Director General.

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82. Assistance to VAT officers.—(1) All members of Police, Border Guards Bangladesh, Bangladesh Coast Guards, and Ansars; and the authorities of all Union Parishads, Upazila Parishads, Municipalities, Zila Parishads, City Corporations; and all the government officers, including the officers administering and controlling the functions relating to Excise, Customs, Income Tax and Narcotics; and all bank officers shall render assistance to the VAT officer in discharging their duties under this Act or any rule made thereunder.

(2) The VAT officer not below the rank of an Assistant Commissioner may, for the purposes of taking assistance, request any member, authority, officer, or other person specified in sub-section (1) to provide any information, including the accounts of any movable or immovable property, statements of bank accounts or other documents, of any person, and such member, authority, or officer, if so requested, shall remain obligated to furnish such information.

83. Power to enter and search by VAT officers.—(1) To carry out the purposes of this Act or any rule made thereunder, the VAT officer not below the rank of an Assistant Commissioner, having been authorised by any Commissioner, may, in the prescribed manner, exercise any of the following powers, namely-

(a) to enter into any place or premises of any economic activity or into any house, transport, etc. and make search therein;

(b) to inspect any economic activity, and examine any records, files, documents, and accounts thereof.

(2) If the place specified in sub-section (1) be a place of abode of any person, it shall require the VAT officer to issue, in the prescribed manner, a notice to the owner or responsible person or supervisor of such place, but no such entry shall be made during the time from sunset to sunrise.

(3) If any person contravenes any provision of this Act or any rule made thereunder, any VAT officers not below the rank of an Assistant Commissioner may, in the prescribed manner, request the concerned bank authority to freeze the bank account of such person.

84. Power to seize goods and disposal thereof.—(1) If any person makes any supply or renders any service in violation of any provision of this Act or any rule made thereunder, the Commissioner may, in the prescribed manner, seize, and dispose off such goods or the goods related to such service

(2) During the pendency of such proceeding, the Commissioner may, in the prescribed manner and on the prescribed terms, release the goods seized under subsection (1) to the owner of such goods or his representative.

85. Imposition of monetary penalty for non-compliances or irregularities.—(1)

The Commissioner may impose a monetary penalty within the limits specified in column (3), for the non-compliances or irregularities specified in column (2), of the following table, namely,—

Table

Sl. No.	Non-compliances or irregularities	Limits of monetary penalty
---------	-----------------------------------	----------------------------

**Problem solve....**

(1) (2) (3)

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(a) Non-compliance or irregularity for not applying for registration or enlistment within prescribed time period;

10 (ten) thousand taka

(b) Non-compliance or irregularity for not displaying the registration or turnover tax certificate in visible place;

10 (ten) thousand taka

(c) Non-compliance or irregularity for not informing the VAT officer about the change in the information of the economic activity;

10 (ten) thousand taka

(d) Non-compliance or irregularity for not applying for cancellation of registration or enlistment within prescribed time period;

10 (ten) thousand taka

(e) Non-compliance or irregularity for not abiding by the provision of section 9(5);

10 (ten) thousand taka

(f) Non-compliance or irregularity for not filing the VAT or turnover tax return within prescribed time period;

10 (ten) thousand taka

(g) Non-compliance or irregularity for not making inclusion of the output tax in the return;

Twice the output tax not included

(h) Irregularities for taking more input tax credit than entitlement in the return;

Twice the tax taken more

(i) Irregularity relating to making an increase of a decreasing adjustment or making a decrease of an increasing adjustment in the return;

Twice the amount of increased decreasing adjustment or twice the amount of decreased increasing adjustment

(j) Non-compliance or irregularity for not issuing tax invoice, credit note, debit note, combined tax invoice or withholding certificate;



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10 (ten) thousand taka

(k) Non-compliance or irregularity for not keeping records in the prescribed manner;

10 (ten) thousand taka

(l) Non-compliance or irregularity for not furnishing fixed security;

10 (ten) thousand taka

(m) Irregularity for willingly evading or attempting to evade assessment and pay tax;

Twice the tax evaded.

(2) Save and except any offence or any non-compliances or irregularities specified in sub-section (1), if any person fails to do anything he requires to do or does anything he is not permitted to do under any provision of this Act or any rule made thereunder, then the Commissioner may, considering the gravity and frequency of commission of such act of non-compliances or irregularities, impose, in the prescribed manner, such amount of monetary penalty as may be prescribed.

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(3) If there remain any elements of an offence, or a non-compliance or an irregularity in anything done, nothing of this Act shall prevent the Commissioner from lodging a criminal case for the element of such offence, and initiating a proceeding for the element of such non-compliance or irregularity.

(4) The Commissioner shall, before imposing a monetary penalty under this section, issue a notice to give the concerned person an opportunity of being heard.

(5) The monetary penalty imposed shall be payable as additional to VAT, supplementary duty, turnover tax, interest, or fine.

86. Monetary limits of the VAT officers in initiating a proceeding for adjudication.—(1) To carry out the purposes of this Act or any rules made thereunder, or for the collection of tax,—

(a) in relation to imports and exports, the Customs Officer shall initiate proceedings in accordance with the provisions under the Customs Act;

(b) in relation to supply of goods or services, the VAT officers shall, subject to the monetary limits specified in the following table, initiate proceedings

under the provisions of this Act, namely—

Table

SL.

No.

Officers Monetary Limits

(1) (2) (3)

(a) Commissioner or Chief

Commissioner

value of the goods or services

exceeding Tk. 20 (twenty) lakh

(b) Additional Commissioner value of the goods or services not

exceeding Tk. 20 (twenty) lakh

(c) Joint Commissioner value of the goods or services not

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exceeding Tk. 15 (fifteen) lakh

(d) Deputy Commissioner value of the goods or services not exceeding Tk. 10 (ten) lakh

(e) Assistant Commissioner value of the goods or services not exceeding Tk. 5 (five) lakh

(f) Revenue Officer value of the goods or services not exceeding Tk. 2 (two) lakh:

Provided that the proceedings which do not have any financial involvement, that is, proceedings of irregularities, shall be initiated and disposed off by such Commissioners as may be prescribed.

(2) The Commissioner shall, by issuing a notice, give the concerned person an opportunity being of heard in each proceeding under this section.

87. Power to summon.—(1) The VAT officer not below the rank of a revenue officer may, for the necessity of taking any action under the provisions of this Act or any rule made thereunder, issue a summon to any person for giving testimony or presenting any document.

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(2) The person so summoned under sub-section (1), shall be compelled to appear as per the direction of the VAT officer either in person or through an authorized representative:

Provided that no summon shall be issued to a person who is exempted from being appeared in person under section 132 and 133 of the Code of Civil Procedure.

88. Powers and duties of Customs Officers.—(1) Every Customs Officer, in applying, and giving effect to any provision of this Act or any rule made thereunder, shall have the following duties, namely-

(a) to collect VAT payable on taxable imports; and

(b) to collect supplementary duty payable on imports of dutiable goods.

(2) The powers conferred upon a Customs Officer by the Customs Act shall be exercised in such a manner as if the provisions of imposition of customs duty on an importable goods under the Customs Act are applicable to the VAT and supplementary duty imposed under this Act.

89. Confidentiality.—Subject to the provisions of the Right to Information Act, 2009 (Act No. 20 of 2009), all the information, received from any taxpayer in giving effect to the provisions of this Act, shall be treated as confidential.

#### CHAPTER THIRTEEN

#### AUDIT AND ENQUIRY

90. Audit and enquiry of taxpayer’s economic activities.—(1) The Commissioner or Director General may, to prevent tax evasion, conduct an audit, and hold an enquiry into all or any affairs of a taxpayer’s economic activities under this Act or any rule made thereunder.

(2) In respect of conducting the audits and holding the enquiry, the Board shall make rules and may establish and publish an Audit Manual.

(3) The Commissioner or Director General shall, after conducting the audit, and holding the enquiry in accordance with the Audit Manual, submit an audit report to the officer requiring such report.

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(4) If, in the audit report made under sub-section (3), any tax liability for the audited tax period of any taxpayer is identified, then the Commissioner or Director General shall fix the tax liability, and shall, determining the interest to be levied on such unpaid tax, refer the matter to the concerned officer for initiating proceedings for the collection of such unpaid tax.

91. Power of the VAT officers.—(1) In respect of an authorised purpose, the authorized VAT officers may, by giving a notice, ask for all or any of the following information from any person, namely-

(a) any information relating to such person for conducting the audit and enquiry; or

(b) any documents or evidence under the custody of such person.

(2) The authorized VAT officers shall have the following powers, namely—

(a) to make a copy of any record;

(b) to seize any record or other items in the prescribed manner;

(c) to seal records or other items; and

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(d) to take steps, in the prescribed cases and manner, to freeze the bank account of any person.

(3) If the authorised VAT officer seizes a record or documents or other item, he shall, in the prescribed manner, return the same to the person from whom such records or documents or items were seized.

(4) If a person claims privilege under any law over any documents or other evidence which the authorised VAT officer requires to seize or examine, the documents over which such privilege is claimed shall be put into an envelope which shall then be sealed jointly and sent to the Board to determine whether the documents in question are privileged one or not.

(5) By dint of any provisions of this chapter, no entry or search shall be made into any premises of a diplomatic, consular, or other mission of a foreign country or international organisation which enjoys immunity from such entry or search under international law.

Explanation: In this section, “authorised purpose” means—

(a) collection of information for fixing the tax liability of any person;

(b) collection of information for collecting tax from any person;

(c) identification of tax evasion; or

(d) ensuring abidance of the provisions of this Act.

92. Supervised supply, observation and surveillance.—(1) Where a taxpayer does not comply any provision of this Act with an intention of evading supplementary tax, the VAT officer having been ordered by the Commissioner, may, to determine the actual tax liability of such taxpayer, supervise or observe any supply, and establish surveillance in any place of the supplementary dutiable economic activity of such taxpayer.

(2) The VAT officer shall, specifying all information necessary to determine the tax liability of a taxpayer, submit a report to the Commissioner.

(3) On the basis of the report submitted under sub-section (2), and of any other information gathered under this Act or any rule made thereunder, the Commissioner may,

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after giving the taxpayer an opportunity of being heard, determine the actual tax liability of such taxpayer.

93. Multiple departmental audits.—No registered or enlisted person shall be audited twice for the same tax period unless the Commissioner has reliable information or other genuine cause to believe that such person has, submitting wrong or false information or fake documents, fraudulently evaded tax in relation to such audited tax period.

94. Special audit.—(1) The Board may, subject to such time and such terms as may be prescribed, appoint an auditor to hold any audit, including a special audit, of records and accounts of any registered or enlisted person.

(2) The auditor so appointed under sub-section (1) shall, for the purpose of this section, be deemed to be a Commissioner.

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#### CHAPTER FOURTEEN

#### RECOVERY OF TAX DUE

95. Recovery of tax due.—(1) When any amount of VAT, supplementary duty, turnover tax, interest, or a monetary penalty or fine becomes due, and payable by any defaulter, the Commissioner shall initiate a proceeding for the recovery of such tax due from such defaulter.

(2) A tax payable shall become due, if—

- (a) the amount is shown as payable on a return and remains unpaid;
- (b) the amount is shown in a notice of tax determination served on the taxpayer who has failed to pay it by the date specified in the notice; or
- (c) the amount otherwise becomes payable on the disposal of any proceeding under this Act.

(3) If a tax payable by a defaulter becomes due under sub-section (2), the Commissioner shall issue, and send a notice to the defaulter for the recovery thereof.

(4) The notice, issued in any proceeding for the recovery of a tax due, shall be deemed to be a conclusive proof of tax liability, and of the amount of tax due specified therein.

(5) For the recovery of a tax due, the Commissioner shall take all or any of the following actions, namely-

- (a) deduct, in the prescribed manner, the amount of tax from the money of the defaulter that is under the control of any authority of Income Tax, Customs, or VAT or Excise;
- (b) require any person or associate or financial institution or bank that holds any money of the defaulter to pay the amount by such person or bank;
- (c) issue an order directing to stop the supply of any goods or provision of any service from the business premises of the defaulter;
- (d) lock the business identification number in the Bill of Entry processing system in the Custom House to stop clearance of imported goods of the defaulter;
- (e) issue an order directing to freeze the bank accounts of the defaulter in the prescribed manner;

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(f) issue an order directing to seal the business premises of the defaulter or seal the business premises within the prescribed time and in the prescribed manner ;

(g) recover the tax due by selling the defaulter's immovable property attached and movable property seized in the prescribed manner; or

(h) take a guarantee from a guarantor of the defaulter in such manner and on such terms as may be prescribed.

(6) For the recovery of a tax due, the Commissioner of Customs shall follow the same procedures that are followed by him for the recovery of a customs duty.

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96. Power of VAT officer under the Code of Civil Procedure.—To recover a tax due, the authorised VAT officer shall, subject to the provisions of this Act, have the same powers that a Civil Court has under the Code of Civil Procedure in respect of realisation of money.

97. Change in jurisdiction for recovery of tax due.—Where a defaulter resides in or has an economic activity or a property within the jurisdiction of any other Commissioner, the Commissioner may make a request to such other Commissioner to recover the tax due, and such Commissioner shall, on such request, recover the tax due in such a manner as if the tax were due in his jurisdiction.

98. Allocation of money or security recovered.—(1) Where the amount, of money recovered or, of security furnished is less than the tax due, such amount of money or of security shall, in the prescribed manner, be allocated in the following order, namely—

(a) firstly, to reduce the amount of interest payable;

(b) secondly, to reduce the amount of monetary penalty or fine; and

(c) thirdly, to reduce the amount of VAT, supplementary duty or turnover tax.

(2) Where the amount, of money recovered or, of security furnished is more than the tax due, the excess amount of money or of security, left after allocating such amount under sub-section (1), shall be given back to the defaulter or guarantor.

(3) The Commissioner shall, in such manner and within such time as may be prescribed, inform the defaulter about the allocation of the amount, of money or, of security under sub-section (1) and (2).

99. Government lien on the immovable property of the defaulter and attachment thereof.—(1) If a defaulter fails to pay a tax due by the due date, a preferential lien in favour of the Government shall be created on all the properties belonging to such defaulter, and such lien shall continue to exist until the tax due is paid.

(2) The Commissioner shall, by serving a notice, inform the defaulter about the creation of such lien, and if the defaulter fails to pay the tax due within one month from the date of service of such notice, the Commissioner may, in the prescribed manner, recover the tax due by attaching and selling the immovable property of such defaulter.

100. Seizure of goods, sale of seized property and allocation of money

recovered.—(1) For the recovery of a tax due, if goods are seized on spot without serving any notice, the Commissioner shall, as soon as practical, serve a notice of such seizure on—

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- (a) the owner of the goods;  
 (b) the person who had custody or control of the goods immediately before such seizure; or  
 (c) the person claiming the goods:  
 provided that no such notice shall be required to be served if no one claims the goods.
- (2) Where goods are seized under sub-section (1) from a person, the Commissioner may, on the following terms and conditions, return the goods so seized to such person, namely—
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- (a) if a security for payment of the tax due for the recovery of which the seizure is made is furnished; or  
 (b) if the first instalment of the tax due, for the recovery of which the seizure is made, is paid when agreed to pay the tax due by instalments.
- (3) If the tax due is not paid or a security for the payment thereof is not furnished or the first instalment of the tax due is not made even after being agreed to pay by such instalments, the Commissioner may, in the prescribed manner, sell the goods so seized.
- (4) The proceeds of sale of the goods so seized shall be allocated in the following order, namely—
- (a) firstly, paying the cost of seizure, keeping, and selling of the goods;  
 (b) secondly, paying the amount for the recovery of which the goods were seized;  
 (c) thirdly, paying the taxes payable under the statute repealed by this Act; and  
 (d) fourthly, paying the balance, if any, back to the owner of the goods.
- (5) Where, for the recovery of a tax due determined on the basis of a tax determination, a goods of a defaulter is seized, the sale of such goods shall, during the course of the proceeding pending before a Commissioner (Appeal) or an Appellate Tribunal or the Supreme Court, remain suspended, except for—
- (a) a goods which is subject to spoilage; and  
 (b) a goods as may be specified by the Commissioner.
101. Liabilities and obligations of representatives.—(1) For the recovery of a tax due, a representative of any defaulter shall also be responsible for the performance of all the duties or obligations of such defaulter.
- (2) The amount payable by the representative is recoverable from him only to the extent of the value of the properties or money, if any, of the defaulter that are in the possession, or under the control, of such representative.
- (3) The representative shall be personally liable to pay the tax due, if, while the amount remains unpaid, he —
- (a) alienates, charges or disposes off the money received or accrued for the payment of money payable; or  
 (b) withdraw any amount of money belonging to the defaulter that is in the possession of such representative, and give it to some other person.
- (4) If a representative as such fails to perform his duties, nothing of this section shall exempt a defaulter from performing any such duty or obligation as may be

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imposed upon him by this Act or any rule made thereunder.

(5) If there is more than one representative of a defaulter, the duties or obligations referred to in this section shall be vested upon all the representatives jointly and severally.

102. Duties of receivers.—(1) The Commissioner may, for the recovery of a tax due, make a request to a receiver to recover such tax due from the property of the defaulter that is in the possession of such receiver.

(2) The receiver, if so requested by the Commissioner under sub-section (1), shall, in the prescribed manner, pay the tax due from the sale proceeds of such property, and

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shall inform the Commissioner about the payment of such tax due along with a documentary evidence.

Explanation: In this section, “receiver” means a person appointed or empowered by any law or Court.

103. Liability of directors or entrepreneurs of any company, association of persons, and property development joint venture.—(1) If a company or association of persons or property development joint venture fails to show proper care, responsibility and skill to pay a tax due, the persons who were directors or representatives or entrepreneurs of such company or association of persons or property development joint venture, shall, at the time when the tax becomes due, be liable, jointly and severally, to pay such tax due for a prescribed time period.

(2) Every director or representative or entrepreneur so liable to pay the tax due shall be entitled to a reimbursement from other directors or representatives or entrepreneurs.

(3) Without prejudice to anything done by a director or a representative or an agent or an entrepreneur, the following activities of such director or representative or agent or entrepreneur shall be deemed to have been done by the company or association of person or property development joint venture, namely—

(a) carrying on an economic activity or any part thereof;

(b) making any supply, import, or acquisition in the course of an economic activity;

(c) manufacturing any goods or supplying any services;

(d) receiving a notice issued;

(e) filing a return;

(f) paying any tax; or

(g) providing any information.

104. Continuity of partnerships or unincorporated associations.—If—

(a) a partnership or other unincorporated association of persons is dissolved or otherwise ceases to exist because of the retirement or admission of a new partner or member; and

(b) a new partnership or association of persons, consisting of the remaining members thereby comes into existence; and

(c) the new partnership or association of persons carries on the same economic activity as was carried on by the dissolved partnership or association,

then, the dissolved partnership or association and the new partnership or association shall, for the purposes of this Act, be deemed to be an integral part of such

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partnership or association of persons.

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105. Death or insolvency of a taxpayer.—If, after the death of a taxpayer or the declaration of a taxpayer as an insolvent, the economic activity of such taxpayer is undertaken by any trustee or executor of property of such taxpayer, then such trustee or executor shall, for the purposes of this Act, be treated as a taxpayer.

106. Payment of tax due by instalments.—(1) The Commissioner may grant permission to a defaulter to pay tax due in suitable instalments within such time, on such terms and in such manner as may be prescribed, and may, for default in paying such instalments, also cancel such permission.

(2) The time limit for the payment of tax due by instalments under this section shall not be more than 12 (twelve) months.

#### CHAPTER FIFTEEN

#### MAINTENANCE OF FORMS, NOTICES, AND RECORDS

107. Keeping of records, and accounts.—(1) Every taxpayer shall, in such form and manner as may be prescribed, keep, upto 5 (five) years, all accounts, documents, and other records of his economic activity so as to ascertain his tax liability and other obligations.

(2) Without prejudice to sub-section (1), the records maintained and accounts kept shall include the following documents, namely—

- (a) all statements of purchase of goods, services, or immovable property, whether taxable or exempted, and all tax invoices related thereto;
- (b) all statements of sale of goods or services or immovable property;
- (c) all tax invoices, credit notes, debit notes, and combined tax invoice and withholding certificates issued and received by the person;
- (d) all customs documentation relating to imports and exports of goods by the person;
- (e) all records showing at any particular time the prices at which the person sells the products manufactured by him, the input-output coefficient for such products, and all records of, discounts offered by the manufacturer of such products or, of credits;
- (f) all records relating to the manufacture and supply of dutiable goods or services;

(g) all treasury challans showing the deposit of tax imposed or, where payment was made other than by treasury challan, appropriate documentary evidence that the tax has been paid;

(h) all returns for every tax period; and

(i) any other prescribed documents or records .

108. Authentication of forms, notices, and documents.—For the purposes of this Act, the Board may determine the format of any forms, notices, returns, and other documents as it may think fit.

109. Service of notices.—(1) For the purposes of this Act, a summon or notice or decision or order or instruction required to be served on a person, shall be deemed to have been properly served on such person, if it is-

- (a) personally received by such person or his representative;



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(b) sent at his usual or last known place of abode or business in Bangladesh;

(c) sent by registered post to his last known address;

(d) sent through an electronic means; or

(e) displayed in the notice board of the concerned VAT office, if not possible to be served in the manners specified in clause (a) to (d).

(2) No question as to the validity of a notice served under this Act or any rule made thereunder shall be raised after the compliance of such notice, in full or in part.

110. Authenticity of documents.—(1) A notice or document, served under this Act or any rule made thereunder, or issued by any authorised VAT officer shall be deemed to be sufficiently authenticated, if the name or designation, the telephone or fax or mobile phone number or email address of such officer, and an official file and issue number are printed or stamped or inserted, on such notice or document.

(2) Any document made, issued, or executed under this Act or any rule made thereunder shall not be—

(a) deemed to be void or voidable for not being made or executed in prescribed forms; or

(b) affected its authenticity because of any mistake, defect, or omission therein, if it is in conformity with the subject and context thereof.

#### CHAPTER SIXTEEN

#### OFFENCE, TRIAL AND PUNISHMENT

111. Offence relating to VAT registration certificate or turnover tax certificate and tax invoice, and punishment thereof.—Whoever dishonestly—

(a) makes or uses a fake VAT registration certificate, turnover tax certificate or combined tax invoice or withholding certificate bearing a forged or false business identification number; or

(b) makes or uses a forged or false tax invoice, credit note, debit note, combined tax invoice;

(c) evades tax otherwise;

(d) claims refund being known it not claimable;

shall be punished with imprisonment for a term which may extend to one year, or with a fine equal to the amount of tax payable, or with both.

112. Offence relating to false or misleading statement or description.—

Whoever dishonestly makes a false or misleading statement or description in any tax document submitted to any VAT officer shall be punished with imprisonment for a term which may extend to 6 (six ) months, or with a fine equal to the amount of tax payable, or with both.

113. Offence for obstructions.—Whoever wilfully obstructs or attempts to obstruct any VAT officer in discharging his duties under this Act or any rule made thereunder shall be punished with imprisonment for a term which may extend to 6 (six) months, or with a fine which may extend minimum 10 (ten) thousand taka to maximum 2 (two) lakh taka, or with both.

114. Investigation, trial and appeal of the offence.—(1) Notwithstanding anything contained in the Code of Criminal Procedure or in any other law for the time

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being in force, the offences shall be triable by a First Class Judicial Magistrate or  
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Metropolitan Magistrate empowered under the Code of Criminal Procedure and may impose any amount of fine determined in this Act.

(2) The offences shall be bailable and non-cognizable.

(3) No Judicial Magistrate shall take cognizance of an offence except a complaint in writing made, subject to the approval of the Commissioner, by the VAT officer not below the rank of an Assistant Commissioner.

(4) The VAT officer shall, in such manner and within such time as may be prescribed, complete the investigation of any offence under this Act.

(5) The Judicial Magistrate shall try the offences following the summary trial procedure laid down in the Code of Criminal Procedure, and the appeal, review and revision in respect of such offences shall be filed and disposed off in accordance with the Code of Criminal Procedure.

115. Additional Power of the Judicial Magistrate or Metropolitan Magistrate.—For the purposes of this Act, the Judicial Magistrate or Metropolitan Magistrate shall also have the power to freeze the bank account of a person committed the offence.

116. Offence committed by any company, association of persons and property development joint venture.—(1) If an offence is committed by any company, association of persons, and property development joint venture; the director, partner, chief executive, manager, secretary, employer or employee or VAT Agent thereof having implications with such offence shall be deemed to have committed such offence unless he proves that such offence was committed without his knowledge or he tried his best to prevent the commission of such offence.

(2) A company may be tried and punished in the same judicial proceeding which is lodged against the director, partner, chief executive, manager, secretary, employer or employee or VAT Agent of such company, but no imprisonment other than fine shall be imposed upon such company.

117. Abettor of offence.—Whoever abets or gives support or incites or excites a person in the commission of any offence, shall be deemed to have been an offender as a committer of such offence, and shall be punished similarly as such committer is punished.

118. Prior approval before filing case.—Without the prior approval of the Commissioner, no case in respect of any offence shall be filed in any court.

119. Compoundability of the offences.—(1) The offences shall, in the prescribed manner, be compoundable.

(2) Every case before or after the prior approval of the Commissioner for filing thereof, is compromiseable in such manner and on such terms as may be prescribed by the Board, but after filing such case, a permission of the court shall be required to make such compromise.

120. Fine additional to the tax payable.—The fine imposed as punishment by a Judicial Magistrate or Metropolitan Magistrate shall be in addition to VAT, supplementary tax, turnover tax or monetary penalty.

## CHAPTER SEVENTEEN

### APPEALS AND REVISIONS

**Problem solve....**

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121. Appeal to Commissioner (Appeal).—(1) Any person or any VAT officer, if aggrieved by a decision taken or order issued under this Act or rule made thereunder by any Additional Commissioner or any VAT officer below the rank of an Additional Commissioner may, within 90 (ninety) days from the date of service of such decision or order, prefer an appeal in the prescribed manner to the Commissioner (Appeal).

(2) Where a person other than a VAT officer prefers an appeal under sub-section (1), he shall, at the time of filing such appeal, pay ten percent of the tax specified in the order in question or if no such tax is specified therein, ten percent of the monetary penalty imposed.

(3) The Commissioner (Appeal) shall, after giving an opportunity of proper hearing to the parties to the appeal in the prescribed manner and within the prescribed time, dispose off the appeal within a period not exceeding 1 (one) year.

(4) The Commissioner (Appeal) may uphold, vary or set aside the decision or order in question, and may pass such order as he thinks fit:

Provided that he shall not, de novo, send the case on remand for reconsideration.

(5) In deciding an appeal, the Commissioner (Appeal) may, in the prescribed manner and within the prescribed time, make such further audit or hold such further enquiry, collect such further information or make such further verification of any proceeding in respect of the matters in question as may be necessary.

(6) Notwithstanding anything contained in this Act, if the Commissioner (Appeal) fails to dispose off an appeal within the stipulated time, such appeal shall be deemed to have been allowed by the Commissioner (Appeal).

122. Appeal to Appellate Tribunal.—(1) Any person or any VAT officer, if aggrieved by a decision taken or order issued under this Act or any rule made thereunder by any Commissioner or Commissioner (Appeal) or Director General or by any VAT officer holding the same rank may, within 90 (ninety) days from the date of service of such decision or order, prefer an appeal in the prescribed manner to the Appellate Tribunal.

(2) Where a person, other than a VAT officer, prefers an appeal under subsection (1), he shall, at the time of filing such appeal, pay ten percent of the tax specified in the order in question or if no such tax is specified therein, ten percent of the monetary penalty imposed.

(3) The Tribunal, after hearing the parties to the appeal, may pass such order as it thinks fit, including an interim order staying the collection of tax.

(4) Any interim order of the Appellate Tribunal staying collection of tax shall cease to have effect on the expiry of a period of 6 (six) months following the day on which it was passed unless the case is finally decided, or the interim order is withdrawn by the tribunal earlier.

(5) Notwithstanding anything contained in this Act, if the Appellate Tribunal fails to dispose off the appeal within the period of 2 (two) years, the appeal shall be deemed to have been granted by the Appellate Tribunal.

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(6) The functional procedures of the Appellate Tribunal and of its branches shall be determined by the Tribunal itself.

**Problem solve....**

(7) Every proceeding before the Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Penal Code (Act XLV of 1860) and the Appellate Tribunal shall be deemed to be a Civil Court under the Code of Civil Procedure.

123. Burden of proof in a proceeding.—(1) In the case of proving the points of issues of any proceedings before the Commissioner (Appeal) or Appellate Tribunal, the affidavit submitted by the Commissioner in the prescribed manner shall be deemed to have been conclusive proof thereof unless the taxpayer may prove otherwise rebutting the contents of such affidavit.

(2) Every affidavit shall be accompanied with a copy of the notice or other documents issued by the Commissioner.

124. Revision to the High Court.—(1) Any person or any VAT officer not below the rank of the Commissioner or Director General if aggrieved by an order of the Board or the Appellate Tribunal may prefer a revision stating any question of law arising out of such order to the High Court Division of the Supreme Court.

(2) Notwithstanding anything contained in any other law for the time being in force, the provisions of the Code of Civil Procedure shall, as far as possible, apply to such revision.

(3) Section 5 of the Limitation Act, 1908 shall apply to a revision made to the High Court Division under sub-section (1).

(4) Where a person, other than a VAT officer, files a revision to the High Court Division under sub-section (1), he shall, at the time of filing such revision, pay 10 (ten) percent of the tax or of the monetary penalty specified in the order in question.

125. Alternative dispute resolution.—(1) Notwithstanding anything contained in any other provisions of this Act, a taxpayer may, in the prescribed manner, on the prescribed terms and within the prescribed time, apply to a facilitator, selected by him, from the prescribed panel to have a dispute resolved through alternative dispute resolution; and the facilitator may, in the prescribed manner, on the prescribed terms and within the prescribed time, take steps to dispose off such application on the basis of consensus through alternative dispute resolution.

(2) The Board may, by a notification published in the official Gazette, designate from time to time one or more of the VAT Commissionerates for processing the applications of alternative dispute resolution.

(3) If a dispute is resolved on the basis of consensus through alternative dispute resolution, no objection in respect of such consensus shall be raised in any court, and the dispute which could not be possible to be resolved on such consensus through alternative dispute resolution may be resolved taking the course of proceeding again under the provisions of this Act.

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(4) If a dispute or any part thereof could not be resolved through alternative dispute resolution, the time spent for such resolution shall not be included in calculating the time of filing an appeal.

Explanation: In this section, "dispute" means a deference arising out of the application of any provision of this Act or any rule made thereunder, but does not include an offence or a dispute involving with a

**Problem solve....**

question of law.

**CHAPTER EIGHTEEN  
MISCELLANEOUS**

126. Tax exemption by the Government.—(1) The Government may, by a notification published in the official Gazette, exempt, for a period upto the date on which the next Finance Act takes effect, all or part of any tax imposed under this Act to respond a situation of national importance for taking immediate action, but if the exemption given under this sub-section is not included in the next Finance Act, it shall become ineffective automatically.

(2) If there is any provision for the exemption of any tax, in part or full, payable on an import or a supply in any international assistance and loan agreement, the Government may, by a notification published in the official Gazette, exempt such tax or a part thereof imposable under this Act, and

(a) in relation to import: the exemption shall be made effective by exempting the import; and

(b) in relation to supply: the exemption shall be made effective by giving refund under section 71 without exempting the supply or the person to whom the supply is made.

127. Imposition of interest on payable tax.—(1) If a person fails to pay a tax payable to any Commissioner on or before the due date of payment, he shall be liable to pay an interest, which is calculated as a percentage of the amount unpaid at the rate of two percent per month or a part thereof, from the date the payment becomes due to the date the payment is made.

(2) The interest payable may be recovered by the Commissioner from the person in the same manner as a tax is recoverable.

(3) If a person has paid interest and an amount to which the interest relates is found not to have been payable, the interest paid on such amount shall be refundable to such person.

(4) Interest payable under this section is payable in addition to any monetary penalty or fine.

128. Online performance of functions, filing of return and payment of tax, etc.—Any function under this Act or any rule made thereunder may be performed online or through an electronic means within such time, on such terms and in such manner as may be prescribed by the Board.

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129. Bar to the jurisdiction of the Court.—No proceeding other than the proceeding or judicial proceeding under this Act or any rule made thereunder shall lie to any court against an order passed or decision made or action taken (tax determination, tax imposition, imposition of monetary penalty, imposition of interest, tax collection or tax recovery, any audit, enquiry or similar matter) by the Board or by any Commissioner.

130. Appointment of VAT Consultant.—(1) A person from among the persons having licence to represent a taxpayer in any proceeding or to render advice to such taxpayer, may be appointed as a VAT Consultant.

(2) To carry out the purpose of sub-section (1), the Board may, upon an application made in the prescribed manner and on the prescribed terms by any person desiring to act

**Problem solve....**

as a VAT Consultant, issue to such person a licence in the prescribed manner and on the prescribed terms.

131. Correction of clerical mistakes, etc.—If any clerical or mathematical mistakes in any acts done under this Act or any rule made thereunder are found, the VAT officer may rectify such mistakes thereto.

132. Certified copy of the documents.—The Commissioner may, upon an application made by a taxpayer, issue certified copy of any one of the following documents, namely-

- (a) any document or paper submitted by the taxpayer to the VAT officer;
- (b) any document submitted to any VAT officer as a proof of payment of withholding tax by any withholding entity; or
- (c) any other document prescribed.

133. Issuance of VAT clearance certificate.—(1) A taxpayer may, on the prescribed terms and in the prescribed manner, make an application to the Commissioner for a VAT clearance certificate.

(2) The Commissioner may, in the prescribed manner, issue a VAT clearance certificate to such applicant if he is satisfied that—

- (a) no tax is due to and payable by such taxpayer; or
- (b) a security is furnished by the taxpayer for the payment of the tax due.

134. Acts to be done through private organisation.—The Board may, in the prescribed manner and on the prescribed terms, get all or any of the following acts done by any private organisation on competitive price, namely—

- (a) to make entries and process any information including the preliminary information specified in the return;
- (b) to make list of the persons to whom business identification numbers have been issued; or
- (c) to do any other act prescribed by the Board.

135. Power to make rules.—To carry out the purposes of this Act, the Board may, subject to the provisions of this Act, make rules by notification published in the official Gazette.

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136. Publication of translated English text.—(1) After the commencement of this Act, the Government may, if necessary, by a notification in the official Gazette, publish a translated authentic English of the Bangla text of this Act.

(2) In the case of any difference between the English and Bangla text, the Bangla text shall prevail.

137. Repeal and savings.—(1) On coming into force of this Act, the Value Added Tax Act, 1991 (Act No. XXII of 1991) shall stand repealed.

(2) Upon such repeal of the said Act,—

- (a) anything done or action taken under the said Act shall, so far as they are consistent, be deemed to have been done and taken under this Act;
- (b) all rules made, orders passed, notifications published, and notices issued under the said Act shall, so far as they are consistent with the provisions of this Act, continue to be in force until they are repealed or amended, and shall be deemed to have been made, passed, published, and issued under

**Problem solve....**

this Act;

(c) any taxes or fees or other dues payable under or imposed by the said Act, if remain recoverable before this Act comes into force, shall be recovered by the said Act, and any matter if remain unresolved shall be resolved under the said Act as if this Act had not been repealed.

138. Tax accounting during transition.—(1) Despite section 03, the value added tax imposed on a taxable supply becomes payable on the commencement day if—

- (a) the supply is, or shall be, made after the commencement day; and
- (b) before that day an invoice for the supply was issued or a payment for the supply was made, or both,

but no value added tax is payable if the person has already paid value added tax on the supply under the Value Added Tax Act, 1991 and included that value added tax in a return submitted to the Commissioner under that Act.

(2) Each part of a progressive or periodic supply made under Sub-section (1) shall be treated as a separate supply and the supply made shall be treated separate.

139. Agreements entered into after the commencement day.—Where a contract is concluded after the commencement day and the contract does not include a provision relating to value added tax or supplementary duty—

- (a) the contract price shall be deemed to include the value added tax and supplementary duty, if any, payable on the supply; and
- (b) the supplier under the contract shall be required to account for the value added tax and any supplementary duty imposed on supplies made under

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the contract, whether or not the supplier took its liability for those taxes into account when setting the price for the supplies.

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**FIRST SCHEDULE**

(vide section 26)

Exempted supplies and imports

First Part

(1) In relation to manufacture or production of any goods mentioned in the second schedule of the Narcotic Drugs Control Act, 1990 (Act XX of 1990).

(2) The exempted supplies and imports shall be as follows, namely—

Item No. Description

Basic necessities

1. Prescribed supply or import of basic food for human consumption.
2. Prescribed supply or import of life-saving medicine.
3. A supply of the transportation of passengers by taxi, bus, mini-bus, or ferry, not being—
  - (a) transportation provided in a vehicle that is air conditioned; or
  - (b) a supply of a chartered tour of a kind ordinarily provided to tourists or other visitors.
4. A supply of the following services relating to social welfare activities, if the services are provided by a government entity or an approved charitable institutions (trust or wakf)—

**Problem solve....**

- (a) Health care and medical services;
  - (b) Education and training;
  - (c) Child care activities and residential care facilities for aged, indigent, infirm, or disabled persons who need permanent care.
- Agriculture, horticulture, fisheries and veterinaries
- 5. A supply of unprocessed agricultural, horticultural, or fishing products if the supplier is the producer of the goods.
  - 6. A supply of goods or services to be used as inputs to agriculture, horticulture, or fisheries, as prescribed by the Board.
  - 7. A supply of land to be used for agriculture, horticulture, or fisheries.
  - 8. Veterinaries.

**Immoveable property**

- 9. A sale of vacant land.

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**Item No. Description**

- 10. A lease, licence, hire or other form of supply of the right to occupy and reside in residential premises, to the extent that the premises are occupied as a residence.

- 11. A sale of immoveable property, to the extent that the property relates to residential premises, excluding the first sale of new residential premises.

**Special situations**

- 12. A supply of goods, if the goods were used by the registered person solely in connection with making exempt supplies, or if the goods are a passenger vehicle on which the person incurred input tax and was not entitled to a credit.

**Non-commercial activities of any approved charitable institutions**

- 13. A supply made by an approved charitable institution, if—
  - (a) the supply is of a prescribed kind; and
  - (b) the supply relates to such religious, charitable, or other non-profit activities as prescribed.

**Culture**

- 14. (a) A prescribed supply of cultural services made on a non-profit basis;
- (b) A supply of newspapers.

**Intermediation**

- 15. A supply of financial services, except to the extent that a specific fee is charged for the service.

- (3) For the purposes of clause 3—

- (a) “bus” means a motor vehicle for the transport of persons, having a seating capacity of more than 40 persons including the driver; and
- (b) “mini-bus” means a vehicle for the transport of persons, having a seating capacity of not less than 15 and not more than 40 persons, including the driver.

- (4) For the purposes of clause 15, “financial services” means—

- (a) the granting and dealing with loans, credit, credit guarantees, and security for money, including management of loans, credit, or credit guarantees by the grantor;
- (b) transactions concerning money, deposit and current accounts, payments,



**Problem solve....**

transfers, debts, cheques, or negotiable instruments, other than debt collection and true factoring;

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(c) transactions relating to financial derivatives, options to acquire financial instruments, and similar arrangements, but only including futures or forward contracts supplied through a defined market or at arm’s length if—

(i) the contract does not provide for the delivery of a commodity; or

(ii) the contract provides for the delivery of a commodity and the supply of the commodity is an exempt supply; or

(iii) the contract provides for the delivery of money;

(d) transactions relating to shares, stocks, bonds, and other securities, but not including custody services;

(e) the provision or transfer of ownership of an interest in a scheme whereby provision is made for the payment or granting of benefits by a benefit fund, provident fund, pension fund, retirement annuity fund or preservation fund; and

(f) the provision or transfer of ownership of a life insurance contract or the supply of re-insurance in respect of any such contract, but does not include a supply of the services of arranging for or facilitating any of the above services.

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**Second Part**

(1) The following imports shall be tax exempted, namely-

Item No.	Description
----------	-------------

1. An import of goods those are exempted or zero-rated.

2. An import of goods exempted from taxes, by the Government by notification, in favour of an approved charitable institution, or to the state.

3. An import of goods (including an import of a container) that have been exported and then returned to Bangladesh by any person without have been subjected to any process of manufacture or adaptation and without a permanent change of ownership, but not if at the time when the goods were exported—

(a) they were the subject of a supply that was zero-rated; or

(b) they were the subject of a supply that occurred before this Act commenced.

4. An import of goods shipped or conveyed to Bangladesh for trans-shipment or conveyance to any other country.

5. An import of goods made available free of charge by a foreign government or an international institution with a view to assisting the economic development of Bangladesh, as approved by the Board.

6. An import of goods for the provision of emergency and disaster relief, as approved by the Government.

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**SECOND SCHEDULE**

(vide section 55)

**Problem solve....**

**SUPPLEMENTARY DUTIABLE GOODS AND SERVICES**

(1) In respect of dutiable goods and services referred to in the second and third columns of the table in the first part of this schedule, the rate of supplementary duty or the specific amount of supplementary duty as specified in the fourth column of the table shall be applicable.

(2) The H.S. Code and Description of goods in this schedule are those referred to in the Bangladesh Customs Tariff established under the Customs Act.

**First Part**

Goods on which supplementary duty is to be imposed:

Heading No. H.S. Code Description of goods

Rate or amount of  
supplementary duty  
(%)

(1) (2) (3) (4)

21.06 2106.90.10

any item used in the  
preparation of soft drinks  
other than scent item,  
having more than 0.5%  
alcoholic volume

350

22.02 2202.10.00 soft drinks 100

2202.10.90 non-alcoholic beer 100

22.03 2203.00.00 Beer made from malt 250

22.04 All H.S. Codes

Wine of fresh grapes,  
including fortified wines;  
grape must be other than  
that of heading 20.09

350

22.05 All H.S. Codes

Vermouth and other wine  
of fresh grapes flavoured  
with plants or aromatic  
substances

350

22.06 2206.00.00

Other fermented beverages

(for example cider, parry,); 350

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Heading No. H.S. Code Description of goods

Rate or amount of  
supplementary duty  
(%)

22.08 All H.S. Codes

**Problem solve....**

Un-denatured ethyl alcohol  
of an alcoholic strength by  
volume of less than 80%  
volume, spirits, liquors and  
other spirituous beverages  
350

24.01 All H.S. Codes

Un-manufactured tobacco,  
tobacco refuse 60

2402.10.00

Cigars, cheroots and  
cigarillos, containing  
tobacco

100

2402.20.00 Cigarettes containing  
tobacco 350

24.02

2402.90.00

Bidi or others made by  
hand or not by machine 100

24.03 All H.S. Codes

Other manufactured  
tobacco and manufactured  
tobacco substitutes;  
“homogenised” or  
“reconstituted” tobacco  
extracts and essences  
2515.11.00

Crude or roughly trimmed  
(marble, travertine,  
ecaussine and other  
calcareous monumental or  
building stone of an  
apparent specific gravity of  
2.5 or more, and alabaster)  
20

2515.12.00

Merely cut, by sawing or  
otherwise, into blocks or  
slabs of a rectangular  
(including square) shape  
20

25.15

2515.20.00

Ecaussine and other

**Problem solve....**

calcareous monumental or  
building stone; alabaster  
20  
25.16 2516.11.00 Granite, crude or roughly  
trimmed 20  
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Heading No. H.S. Code Description of goods  
Rate or amount of  
supplementary duty  
(%)  
2516.12.00  
Granite, merely cut, by  
sawing or otherwise into  
blocks or slabs of a  
rectangular (including  
square) shape  
20  
25.17 2517.10.00  
Pebbles, gravel, broken or  
crushed stone 20  
2523.21.00  
White cement, whether or  
not artificially coloured  
(Portland cement, whether  
or not coloured or in the  
form of clinkers).  
20  
25.23  
2523.29.00 Other Portland cement 20  
27.10 2710.12.39  
other light oil and  
preparations: others  
20  
2710.12.50  
other intermediary oil and  
preparations 20  
2710.12.69 gas oil: others 20  
2710.19.19 mineral oil: others 20  
2710.19.33 petroleum partially refined  
including top crude  
20  
2710.19.34 grease (mineral) 20  
2710.19.39  
other heavy oil: (except  
transformer oil and heavy

**Problem solve....**

normal paraffin)

20

27.11 2711.21.00 natural gas: gaseous 100

33.03 3303.00.00 Perfumes and other waters 20

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Heading No. H.S. Code Description of goods

Rate or amount of  
supplementary duty  
(%)

33.04 All H.S. Codes

Beauty or makeup  
preparations and  
preparations for care of  
skin (other than  
medicaments), including  
sunscreen or suntan  
preparations; manicure or  
pedicure preparations

20

33.05 All H.S. Codes Preparations for use on  
hair 60

33.07 All H.S. Codes  
Pre-shave, shaving or  
aftershave preparations,  
personal deodorants, bath  
preparations, depilatories  
and other perfumery,  
cosmetic or toilet  
preparations, not elsewhere  
specified or included,  
prepared room deodorizers,  
(whether or not perfumed  
or having disinfectant  
properties).

20

48.13 All H.S. Codes  
Cigarette paper, whether or  
not cut to size or in the  
form of booklets or tubes

60

68.02 All H.S. Codes Granite, marble, travertine,  
alabaster and other stone

60

69.04 All H.S. Codes  
Ceramic building bricks,

**Problem solve....**

flooring blocks, support or  
 filler tiles and the like  
 20

69.07 All H.S. Codes  
 Unglazed ceramic flags  
 and paving, hearth or wall  
 tiles; unglazed ceramic  
 mosaic cubes and the like,  
 whether or not on a  
 backing  
 45

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 Heading No. H.S. Code Description of goods  
 Rate or amount of  
 supplementary duty  
 (%)

69.08 All H.S. Codes  
 Glazed ceramic flags and  
 paving hearth and wall  
 tiles; glazed ceramic  
 mosaic cubes whether or  
 not on a backing  
 45

All H.S. Codes  
 (except 8415.10.10  
 8415.81.10  
 8415.82.10  
 8415.83.10  
 8415.90.10  
 8415.90.90)

Air conditioning machines,  
 comprising a motor-driven  
 fan and elements for  
 changing the temperature  
 and humidity, including  
 those machines in which  
 the humidity is not  
 separately regulated  
 60

8415.90.10  
 Parts imported by airconditioner  
 manufacturing  
 industry  
 20  
 84.15

**Problem solve....**

8415.90.90

parts (imported by other than the manufacturer of air condition)

45

84.18

All H.S. Codes

(except 8418.61.10

8418.69.10

8418.99.00)

Refrigerators, freezers and other refrigerating or freezing equipment, electric or other, heat pumps

30

85.07 8507.10.00

Lead-acid, or electric accumulators 20

8507.20.90 Other lead-acid accumulators 20

Motor cars and other motor vehicles including stations wagons.

87.03

Respective H.S. Codes

1) Motorized threewheelers and autorickshaws

20

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Heading No. H.S. Code Description of goods

Rate or amount of supplementary duty (%)

2) Three-wheelers and auto-rickshaws in CBU with four-stroke engine

20

3) Motorcars including station wagons in CBU (except ambulances)

20

a) Cylinder capacity not exceeding

**Problem solve....**

1000 cc

30

b) Cylinder capacity  
 exceeding 1000 cc  
 but not exceeding  
 1650 cc (except  
 microbus)

45

c) Cylinder capacity  
 exceeding 1650 cc  
 but not exceeding  
 2000 cc (except  
 microbus)

100

d) Cylinder capacity  
 exceeding 2000 cc  
 but not exceeding  
 2750 cc

250

e) Cylinder capacity  
 exceeding 2750 cc  
 but not exceeding  
 4000 cc

350

f) Cylinder capacity  
 exceeding 4000 cc 500

g) Microbus with  
 Cylinder capacity  
 not exceeding

1800 cc

30

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Heading No. H.S. Code Description of goods

Rate or amount of  
 supplementary duty

(%)

h) Microbus with  
 Cylinder capacity  
 exceeding 1800 cc  
 but not exceeding  
 2000 cc

60

4) Motorcars including  
 station wagons in CKD  
 (except four-stroke



**Problem solve....**

CNG auto-rickshaws  
 and three-wheelers)  
 a) Motorcars in CKD  
 with (up to 2000  
 cc)  
 30

b) Others in CKD 45  
 87.04 minimum four doored  
 cabin pickup made full  
 8704.21.13  
 8704.31.13

cylinder capacity from  
 1001 cc to 1500 cc 30  
 8704.21.14  
 8704.31.14

cylinder capacity from  
 1501 cc to 2000 cc 60  
 8704.21.15  
 8704.31.15

cylinder capacity from  
 2001 cc to 2750 cc 100  
 8704.21.16  
 8704.31.16

cylinder capacity from  
 2751 cc to 4000 cc 350  
 8704.21.17  
 8704.31.17

cylinder capacity from  
 4001 cc to above 500  
 87.06 8706.00.31  
 two stroke autorickshaw  
 or chassis

with engine of three  
 wheeler  
 20

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 Heading No. H.S. Code Description of goods  
 Rate or amount of  
 supplementary duty  
 (%)

8706.00.32  
 four stroke autorickshaw  
 or chassis  
 with engine of three  
 wheeler

**Problem solve....**

20

8711.20.11

Motorcycles, in CBU with  
four-stroke engine 45

87.11

8711.20.21 Motorcycles, in CKD with  
four-stroke engine

30

93.02-93.07 All H.S Code

Revolver and pistol or  
other arms ammunitions  
(except the match weapon  
and sports ammunitions  
imported by shooting  
federation) or sword or  
knife or spear or other  
similar things

100

Second Part

Services subject to supplementary duty:

Heading No. Service Code Description of  
services

Rate or amount of  
supplementary duty

(1) (2) (3) (4)

S001.00 Hotel and Restaurant

S001.10 Hotel 10

S001

S001.20

Restaurant: If  
alcoholic beverages  
are supplied along with  
accommodation, food  
and beverages, or any  
kind of “floor show” is  
organized (even if for  
only one day in a year)

35

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Heading No. Service Code

Description of  
services

Rate or amount of  
supplementary duty

S012 S012.20



ST RELIANCE ASSOCIATES “STRA”

Corporate office:  
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(Old: Sonargaon Road), Kathalbagan, Dhaka.  
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Website: [stra-global.com](http://stra-global.com)  
[facebook.com/straglobal](https://facebook.com/straglobal)

**Problem solve....**

**SIM Card Supplier:**

In case of cellular phone (Mobile/ Fixed Wireless), supply of SIM (Subscriber's Identity Module) card or RUIM (Removable User Identification Module) card or similar other cards with Microchip, or the usage of Code Division Multiple Access (CDMA) each time or any other method other than aforementioned cards for the same purpose BDT 600 for every SIM



**“A House of Accountancy & Taxation (Income Tax, Customs & VAT), Secretarial, Commercial, Expatriate, Internal Audit, Compliance, Business Development & reengineering with Corporate Affairs Service Provider”**