



# **Guide to Doing Business**

# Bangladesh

Prepared by Lex Mundi member firm, Amir & Amir Law Associates

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# A Guide to Doing Business in Bangladesh

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Limitations of Scope: This guide contains a general introduction to the subject. The information in this guide is meant for the purposes of reference and should not be used as legal advice.

Source of Information: The information provided in this guide has been obtained from various sources, namely the Bangladesh Board of Investment (BOI) and the Bangladesh Bank.

# A GUIDE TO DOING BUSINESS IN BANGLADESH

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# I. BANGLADESH AT A GLANCE

# I.A. Key Facts

Climate  Sub-tropical monsoon.  Winter (December - February) (29°C Maximum; 11°C Minimum)  Summer (April - June) (32°C Maximum; 21°C)  Heavy rainfall during the monsoons (July-October)  Standard Time  GMT + 6 hours  Population(2010):  164,425,491  Official language Bangla (Bengali). English is widely used in Government, Business and Universities.  Religion  Muslim (89.6 %) Hindu (9.3 %) Buddhist (0.5%) Christian (0.3%) Other (0.3%)  Government  Bangladesh is a developing democratic polity based on the Westminster model; secular, but not a theocratic state.	Geography	Geographically located in South Asia; between 20'34 and 26'38 north latitude and between 88'01 and 92'41 east longitude. It consists of flat fertile alluvial land. Neighbouring India to the north, east and west; Burma to the south-east and the Bay of Bengal to the south. Bangladesh, on the northern coast of the Bay of Bengal, is surrounded by India, with a small common border with Myanmar in the southeast.  147,570 km <sup>2</sup>	
Winter (December - February) (29°C Maximum; 11°C Minimum)  Summer (April - June) (32°C Maximum; 21°C)  Heavy rainfall during the monsoons (July-October)  Standard Time  GMT + 6 hours  Population(2010):  164,425,491  Official language Bangla (Bengali). English is widely used in Government, Business and Universities.  Religion  Muslim (89.6 %) Hindu (9.3 %) Buddhist (0.5%) Christian (0.3%) Other (0.3%)  Government  Bangladesh is a developing democratic polity based on the Westminster model; secular, but not a theocratic state.		,	
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polity based on the Westminster model; secular, but not a theocratic state.	Religion	Hindu (9.3 %) Buddhist (0.5%) Christian (0.3%) Other (0.3%)	
	Government	polity based on the Westminster model;	
Money and Currency   Currency Bangladeshi Taka (Tk)	Money and Currency	Currency Bangladeshi Taka (Tk)	

	Exchange Rates ( As on 27 <sup>th</sup> December 27, 2011)  Currency Buying Selling  USD 82.03 79.28  GBP 128.17 123.8  Euro 107.18 103.5		
Economic Summary	GDP/PPP (2011 est.): \$100 billion; per capita \$664		
Summary	Real growth rate: 6%		
	Inflation: 11.3%		
	Industries: Textiles, Jute, Garments, Tea		
	Processing, Paper Newsprint, Cement, Chemical Fertilizer, Light Engineering,		
	Sugar, Ceramics and Pharmacy.  Natural resources: Natural Gas, Arable Land, Timber and Coal.		
	Exports: \$1447 million (September 2011.): Bangladesh exports mainly Ready Made Garments including knit wear (75% of exports revenue). Others include: Shrimps, Jute Goods (including Carpet), Leather Goods and Tea.		
	Imports: \$6938 million (July 2011): Bangladesh imports mostly Petroleum Product and Oil, Machinery and Parts, Soybean and Palm Oil, Raw Cotton, Iron, Steel and Wheat.		

# I.B. Infrastructure

# **I.B.1. Telecommunications**

Situated in the heart of South Asia, there has been considerable development in the telecommunications system in Bangladesh. In August 2002, the Government has opened up the telecom sector (fixed line) to the private sector for participation. There are currently 62 Internet Service Providers (ISPs) in the market. The internet is easily accessible in cities and most businesses and

government organisations have their own websites and are able to correspond through email.

#### I.B.2. Transport

#### I.B.2.a) Land

A road network connects most parts of Bangladesh, even the remote ones. The railway system is being upgraded through management contracts with private operators. Biman, the state-owned airline as well as other international airlines fly regularly to and from international destinations in Asia, Europe, the Middle East and North America. In addition to the main international airport, Hazrat Shahjalal International in the capital city of Dhaka, there are two other international airports in Sylhet and Chittagong and a few domestic airports around the country.

#### I.B.2.b) Water

Bangladesh has perhaps the best water transport system in the region which accounts for two-thirds of cargo transport within the country. Hundreds of rivers criss-cross the land connecting all parts of the country. The major rivers run to the Bay of Bengal in the south where the major seaport of Chittagong plays the most significant role in the country's international trade.

INFRASTRUCTURE AT A GLANCE				
Telecommunications		<b>Transport</b>		
Telephones(main	831,000	Railways	2835.04 km	
lines in use)			(2011)	
Mobile Cellular	82.442 million (Oct	Highways	239,226 km	
	2011)		paved:	
			22,726 km;	
			unpaved:	
			216,500 km	
Radio Broadcast	AM 1 (Bangladesh	Ports and	Chittagong and	
	Betar), FM 5 (Radio	harbours	Mongla Port	
	Foorti, Radio Today,			
	Radio Amar, ABC			
	Radio, BBC Bangla)			
Television	State Owned: 2	Airports	17	
Channels	Privately Owned: 18			
<b>Internet Hosts</b>	266			
Internet users	995,560 (2010)			

#### II. INVESTMENT OPPORTUNITIES IN BANGLADESH

#### II.A. Bangladesh Investment Climate

"Bangladesh is the third easiest country in which to do business in South Asia," reported a World Bank-International Financial Corporation report of 6th September 2006. The report further observed that Bangladesh has undertaken steps to improve its business climate and one notable reform made recently was the introduction of a new land registration act to improve security and reduce corruption in land transactions.

Among South Asian FDI regimes, a World Bank report (*Foreign Direct Investment in Bangladesh: Issues of Long-run Sustainability*, 1999) judged the Bangladeshi regime to be the most liberal, with no prior approval requirements or limits on equity participation or on the repatriation of profits and income. According to the report, not only has Foreign Direct Investment (FDI) in Bangladesh been growing but it may be significantly underreported, on account in part of the more open regime.

#### **II.B.** Economic Overview

Although the transition process from an agrarian economy to a manufacturing and service based economy has only begun, the common consensus between all political parties is that the market-oriented economic policy must be promoted. The private sector is now the major source of investment in the country and this is further accentuated by Bangladesh's liberal economic approach. Policies of liberalisation, deregulation and reforms have been combined together to bring about changes in almost all sectors of the economy in tune with globalisation challenges. By removing all barriers to investment and business, Bangladesh has opened up its economy. Bangladesh is currently one of the top exporters of Readymade garments (RMG) to the USA and Europe. Fisheries (shrimp mainly) and leather products are also being exported at an increasing rate.

The population reaching nearly164 million, Bangladesh is one of the most populous countries of the world and potentially a sizeable market due to relatively high growth rates and an expanding middle class with increasing purchasing power.

#### **II.C World Economy and Bangladesh**

Although the world economy has been affected by the recession of 2008-2009, Bangladesh performed well along with other Asian countries.

Economy growth rate (%)					Proje	ctions
	2007	2008	2009	2010	2011	2015
Bangladesh	6.3	6.0	5.4	5.4	5.9	6.2
Developing Asian economies	10.6	7.9	6.6	8.7	8.7	8.5
Emerging economies and developing economies	6.5	9.2	5.2	6.2	4.7	3.8
Developed economies	0.2	0.5	0.4	0.4	0.3	0.1
World	5.2	3.0	-0.6	4.2	4.3	4.6

Source: IMF World Economic Outlook, April, 2010

#### **II.C.** Investment Opportunities

Investment opportunities in Bangladesh can be seen as falling into two broad categories:

#### **II.C.1. Resource Advantages**

Areas in which Bangladesh offers substantial resource advantages Example: Low-cost labour

#### **II.C.2. Development Opportunities**

Areas in which Bangladesh needs to develop.

Example: Upgrading of infrastructure (power, telecommunications, ports, roads and railways)

Note: For this category, financing is available through multilateral and bilateral sources.

#### **II.D. Foreign Investors**

Bangladesh offers important investment opportunities reflected in the inflows of foreign direct investment . It increased from virtually zero in the

1980s to over \$300 million in the late 1990s. There was an inflow of \$666m foreign direct investment in 2007 which rose significantly in 2008 to \$1086m. As of 2010, inflows of foreign direct investment recorded to \$571m. Bangladesh has adopted a liberal approach to foreign investment with schemes such as no restrictions on equity participation, repatriation of profits or income and no prior approval requirements. In the year 2009-10 (February), there were 89 new foreign and joint venture investment projects registered to BOI which amount to \$590m. The projects were invested for mainly the service, engineering, clothing and agricultural sectors.

**Investment Climate: Key Points for Foreign Investors** 

- 1. A largely homogeneous society with no major internal or external tensions and a population with great resilience in the face of adversity (e.g., floods).
- 2. Broad non-partisan political support for market-oriented reform and perhaps the most investor-friendly regulatory regime in South Asia.
- 3. Trainable, enthusiastic, hardworking and low-cost (even by regional standards) labour force.
- 4. Potentially significant market, especially with easy access to South Asia.

#### **II.E. Sectors with Investment Opportunities**

The following table provides an overview of the sectors in which the government is seeking foreign direct investment for both domestic and export market oriented industries.

1. Natural Gas	• Bangladesh has a substantial gas reserve of
Exploration (Electricity,	about 20 trillion
Fertilizer and	cubic feet (tcf)
Petrochemicals)	• Opportunities exist in developing new plants
	(bargemounted
	and other, large, small and mini), constructing
	transmission and distribution system,
	rehabilitating or
	upgrading existing plants and supplying a variety
	of support
	services. Investment opportunities are available
	on a buildoperate-
	transfer (BOT) basis.
2. Textile	• The fastest growing industry in Bangladesh
	with Readymade
	Garments (RMG) accounting for more than 75%
	of
	total exports.
	• Bangladesh is best placed in the region for
	textiles and
	garments because of cheap labour and trade
	status with the
	EU.
	• Government incentives for the spinning and
	weaving
	industries include a 15% cash subsidy of the

	fabric cost to
	exporters sourcing fabrics locally.
3. Electronics(Semi-Conductor, Cell Phone Assembly and other Electronics)	<ul> <li>Manufacturing of semi-conductors could be established as a potential cottage industry.</li> <li>Bangladesh is going to be the largest cell-phone market in South Asia with more than 2 million cell phone users</li> </ul>
4. Information	• Investment is mostly confined to information
Technology (Data	processing.
Processing, Software	Bangladesh has a cheaper and rapidly growing
Development & Hardware Manufacturing)	IT workforce.
Wandracturing)	workforce.
<b>5. Frozen Foods</b> (Shrimp Farming; shrimp	• Fish and prawn exports grew at an average 20% in the past
and prawn exports)	decade.
	• Shrimp processing and export industry is
	largely dominated
	by the smaller unorganised sector.
	• The frozen foods export is the second largest export sector
	of the country. The average annual growth rate is
	about 28%. This export-oriented industry includes the
	following
	sub-sectors which need proper attention for augmentation of
	production and export earnings:
	o Hatcheries
	Sustainable aqua-culture technology
	• Feed meals plants
	Processing unit for value-added products
<b>6.Leather</b> (Finished	Bangladesh has a domestic supply of good
Leather and	quality raw
Leather Goods)	material, as hide and skins are a by-product of
	large
	livestock industry.
	• Adequate government support in the form of tax holidays,
	duty free imports of raw materials and
	machinery for export-oriented leather market
	• Presently Bangladesh produces between 2 and

7. Ceramics (Tableware, Sanitary ware and Insulator)	<ul> <li>3 percent of the world's leather market.</li> <li>Most of the livestock base for this production is domestic which is estimated as comprising 1.8 percent of the world's cattle stock and 3.7 percent of the goat stock.</li> <li>Tableware industry is labour-intensive and although manufacturers in developing countries have invested in automation, they were unable to reduce the number of workforce.</li> <li>Bangladesh has a skilled manpower in ceramic industry and the clean gas reserve required for firing is a great competitive advantage for Bangladesh.</li> <li>Bangladesh, being a gas-rich and low- labour-cost economy, offers to be strategic partners in production and supply of ceramic products.</li> </ul>
8. Light Engineering (Machinery Parts and Consumer Items)	<ul> <li>A growing and increasingly affluent middle class indicates demand for consumer durables.</li> <li>There is a significant sector of cottage industries engaged in simple electronic goods.</li> <li>Export-oriented production in light industries has gained momentum in the past few years.</li> </ul>
9. Agro-Based Industry (Canned Juice / Fruit and Dairy and Poultry)	<ul> <li>Bangladesh has the basic attributes for successful agro based industries, namely, rich alluvial soil, a year-round frost- free environment, an adequate water supply and an abundance of cheap labour.</li> <li>Increased cultivation of vegetables, spices and tropical fruits now grown in Bangladesh could supply raw materials to local agro-processing industries for both domestic and export markets.</li> </ul>
10.Steel (Billets,Plates,HR Coils,Galvanized Sheets)	• Usage of Steel products in Bangladesh Increased remarkably during the 80s, when this Industry flourished due to relaxation/liberalization of the country's Industrial Policy.
11. Pharmaceuticals	<ul> <li>Bangladesh offers a good number of qualified, skilled pharmacists, bio-chemists, micro biologists, and chemists for pharmaceutical industries.</li> <li>Government offers support for importing raw materials for production.</li> <li>Present Government has taken initiatives</li> </ul>

to modernize, expand and attract foreign investment in pharmaceutical industries, and for this adopted national medicine policy (revised) 2005, which will help to adapt with the changing world under WTO/TRIPS

# III. GENERAL CONSIDERATIONS

#### **III.A. Diplomatic Relations**

Bangladesh is a member of various international trade and business agreements.

- III.A.1. Member of Commonwealth of Nations.
- **III.A.2.** Founding member of the World Trade Organization.
- **III.A.3.** Member of the Multilateral Investment Guarantee Agency (MIGA), an arm of the World Bank that insures foreign investors against political risks such as expropriation, inconvertibility and war damage.
- **III.A.4.** Party to the World Bank Convention on the Settlement of Investment Disputes between states and nationals of other states which enables international arbitration of disputes with foreign investors.
- **III.A.5.** Member of the World Intellectual Property Organization's permanent committee on development co-operation related to industrial property.
- **III.A.6.** Bangladesh is a member of several South Asian organizations, one of which, SAARC and its off shoot SAPTA
- III.A.7. In addition, Bangladesh has joined BIMSTEC (Bangladesh, India, Myanmar, Sri Lanka, Thailand Economic Cooperation) and D-8 (involving Bangladesh, Pakistan, Egypt, Malaysia, Indonesia, Turkey, Nigeria, and Iran).
- **III.A.8.** Bangladesh has also entered into a number of investment and taxation agreements, as indicated in the table below:

Bilateral Investment Treaties	Avoidance of Double Taxation
(BITs) (Bilateral treaties on	Treaties (DTTs)
investment promotion and	(Bilateral treaties for the
protection)	avoidance of double taxation
Austria	Belgium
Belgium	Canada
Canada	China
China	Denmark
France	France
Germany	Germany
Indonesia	India
Iran	Italy
Italy	Japan
Japan	Republic of Korea
Korea,DPR	Malaysia
Korea, Republic of	Netherlands
Pakistan	Oman
Poland	Pakistan
Romania	Poland
Switzerland	Phillipines
Netherlands	Romania
Phillipines	Singapore
Turkey	Sri Lanka
Thailand	Sweden
UK	Thailand
USA	Turkey
Uzbekistan	UK
Vietnam	Vietnam
Singapore	
Source: Board of Investment	

#### **III.B. Bangladesh's History and Government**

#### III.B.1. History

On the political partition of the Indian subcontinent in 1947, the eastern part of the province of Bengal became East Pakistan. East Pakistan was governed by West Pakistan although separated from it by a considerable stretch of Indian territory. Differences in culture and language led to a movement of independence by East Pakistan and it resulted in the creation of the Republic of Bangladesh on 16th December 1971, after a 9 month long liberation war.

# **III.B.2 Government**

Under the constitution of Bangladesh, the Prime Minister, as the executive power, is the head of the government. A cabinet of ministers assists the Prime Minister. The head of state is the President, who is chosen by parliament for a five-year term. The tenure of the national parliament, known as the *Jatiya Sangsad*, is also for a five-year period. It is a unicameral body vested with legislative powers and has 300 elected members.

#### **III.C. LEGAL SYSTEM**

#### **III.C.1. Common Law System**

The legal system of Bangladesh is based on a common law system. However, unlike other common law jurisdictions, Bangladesh's Supreme Court has the power to not only interpret laws made by the Parliament but to also declare them null and void and enforce fundamental rights of the citizens. Although founded on the English common law system, the laws of Bangladesh take a statutory form which are enacted by the legislature and interpreted by the higher courts.

#### **III.C.2. Supreme Court**

The Constitution of Bangladesh created the Supreme Court of Bangladesh with two divisions, the High Court Division and the Appellate Division. As the apex court, the High Court division has been vested with the power to hear appeals and revisions from subordinate courts and also to issue orders and directives in the nature of writs to enforce fundamental rights and to grant other relief available under the writ jurisdiction. The Appellate Division shall have power to issue such directions, orders, decrees or writs as may be necessary for doing complete justice in any cause or matter pending before it, including orders for the purpose of securing the attendance or any person or the discovery or production of any document.

#### **III.C.3. Special Courts**

- **III.C.3.a**) Labour Courts decide labour disputes.
- **III.C.3.b**) Administrative Tribunals decide service disputes of public servants.
- **III.C.3.c**) Income Tax Appellate Tribunals decide income tax disputes, custom and excise matters. VAT Appellate Tribunals decide disputes regarding custom and excise duties and VAT.
- **III.C.3.d**) Court of Settlement decides disputes relating to abandoned properties.

**III.C.3.e**) Artha Rin Adalats decide money claims of banks and other financial institutions.

**III.C.3.f**) Insolvency Courts declare defaulting borrowers as insolvent.

#### **III.C.4. Alternative Dispute Resolution**

#### III.C.4.a) Civil Procedure Code (Amendment) 2002

The Civil Procedure Code (Amendment) Act 2002 has been enacted to introduce Alternative Dispute Resolution (ADR) system for early and consensual disposal of civil suits. Section 89A and 89B have been inserted to allow parties to settle their disputes in suits through mediation or arbitration.

#### **III.C.4.b**) Arbitration

Arbitration is increasingly being employed as a means of getting around the judiciary and the length of time it can take to resolve cases. Arbitration in Bangladesh has proved to be a successful and efficient means of resolving disputes arising out of commercial matters. Businesses, especially those with foreign concerns, have now begun to insert arbitration clauses into their standard contracts.

#### **III.D.** Environmental Considerations

Investors need to conform to certain environmental safety standards to get clearance certificates from the Department of the Environment (DOE).

#### III.D.1. Environmental Clearance Required for:

- (i) Appropriate water-treatment plants
- (ii) Air-pollution-controlling devices
- (iii) Noise-pollution
- (iv) Safety measures

#### **III.D.2. Project Proposals Must Contain:**

- (i) Appropriate environmental impact assessment
- (ii) Pollution-control measures

#### **III.D.3. Corrective Measures**

Existing industries with possibly negative implications for the environment or public health will be required to take corrective measures.

#### **III.E. Intellectual Property Rights**

The Government recognizes the importance of intellectual property rights (IPRs) for attracting foreign investment and is currently in the process of updating legislation in order to ensure better enforcement of such rights.

#### **III.E.1. International Obligations**

**III.E.1.a)** Member of the World Intellectual Property Organization (WIPO) since 1985.

**III.E.1.b**) Signatory to the Paris Convention on Intellectual Property from 1991.

#### III.E.2. Legislation

The existing Bangladeshi legislation in this area, however, dates mostly from the period of British rule. The legislation in force are as follows:

III.E.2.a) Patent and Design Act of 1911

III.E.2.b) Patent and Design Rule of 1933

III.E.2.c) Trademark Act of 1940

III.E.2.d) Copyright Act of 1999

III.E.2.e) Trademarks Act 2009

#### **III.E.3. Permission for Royalties**

No prior permission is required for entering into agreements for remitting fees for royalties, technical know-how and technical assistance.

# **IV. FOREIGN INVESTMENT INCENTIVES**

#### **IV.A.** General Incentives for Foreign Investment

The government has been keen in promoting foreign investment and continues in its efforts to attract such investment as a means of alleviating the economy. Furthermore, the government has liberalised the industrial and investment policies in recent years by reducing bureaucratic control over private investment.

<b>Investment Incentives</b>	
1. Tax Exemptions	Generally 5 to 7 years. However, for power generation exemption is allowed for 15 years.
2. Duty	No import duty for export oriented

	industry. For other industry it is at 5%	
	ad valorem.	
3. Tax Law	i. Double taxation can be avoided in	
	case of foreign investors on the basis of	
	bilateral agreements.	
	ii. Exemption of income tax up to 3	
	years for the expatriate employees in	
	industries specified in the relevant	
	schedule of Income Tax Ordinance	
4. Remittance	Facilities for repatriation of invested	
	capital, profit and dividend.	
5.Exit	An investor can wind up an investment	
	either through a decision of the AGM or	
	EGM. Once a foreign investor completes	
	the formalities to exit the country, he or	
	she	
	can repatriate the sales proceeds after	
	securing proper authorization from the	
	Central Bank	
6. Ownership	Foreign investors can set up ventures	
_	which are either wholly owned or in	
	collaboration with a local partner.	

# **IV.B.** Incentives for Export Oriented Businesses

Bangladesh has enabled Export Processing Zones (EPZ) to encourage and facilitate the functioning of export-oriented enterprises. Industries which fall within an EPZ benefit from fiscal, non-fiscal and infrastructure facilities. Bangladesh Export Processing Zones Authority (BEPZA) approves all projects to be located in the EPZs.

<b>Incentives to Join EPZ</b>				
Fiscal	Non-Fiscal	Financial		
Tax holiday for 10	100% foreign equity	Secured and protected		
years	allowed	industrial area.		
Concessionary tax for 5	Unrestricted exit policy	Land and factory buildings		
years after completing		for rent.		
initial 10 years				
<b>Duty</b> free import of	Full repatriation facilities	Electricity,		
machinery and raw	of dividend and capital at	telecommunication, gas		
materials	the event of exit	and water facilities		
Avoidance of double	Import of raw materials	Export and import permits		
taxation subject to	allowed on Documentary	issued in one day		
DTTs	Acceptable basis			
<b>Exemption</b> of income	Intra and Inter-zone export	Work permits organized		
tax on interest from	is allowed.	for foreign nationals		

borrowing capital		
<b>Complete</b> exemption	<b>Sucontracting within EPZs</b>	Recreational facilities for
from dividend tax for 3	permitted	foreign nationals
years subject to certain		
conditions		
<b>Exemption of income</b>	Back-to-back L/C for the	Contact only required with
tax on salaries of	_	<b>BEPZA</b> for all operational
foreign technicians for	certain industries.	purposes.
3 years subject to		
certain conditions		
Duty free import of 3		_
motor vehicles under		site
certain conditions	(DTA)	
<b>Duty</b> free import of		
materials for	output to the DTA under	
constructing factory	certain conditions	
buildings		
<b>Duty free export of the</b>	_	
goods produced in the	industries from abroad	
zones		
	Option to relocate from one	
	zone to another	
	No unions or strikes	
	Equal rights with	
	Bangladeshi nationals for	
	foreign employees.	

#### **IV.C.** Access to Foreign Investors

#### **IV.C.1.** Access to the Sectors and Industries

Foreign investment is encouraged in all industrial activities. Such investment may be undertaken either independently or through joint ventures with the local private or public sector.

# **IV.C.1.a)** Reserved Industries

Foreign direct investment is not encouraged in the following five industries:

- (i) Arms, ammunitions and other defence equipment and machinery;
- (ii) Production of nuclear energy;
- (iii) Forest plantation and mechanized extraction within the bounds of reserved forests;
- (iv) Security printing (currency notes) and minting; and

(v) Air transportation and railways.

If foreign investment is aimed at one of these sectors, then Pre-Registration Clearance would need to be obtained (see para VII.B.4.)

#### **IV.C.2.** Acquisition

There is no barrier to the acquisition of local enterprises by foreign investors. Foreign investors may also buy enterprises reserved for privatisation.

#### IV.D. Ownership, Property and Management Control

There is no general restriction on equity participation, acquisition of property or management control for a foreign firm.

#### IV.D.1. Ownership

Bangladesh welcomes foreign investors in all forms and types.

#### **IV.D.1.a)** Equity Participation

There is no limitation on equity participation for foreign investment in Bangladesh.

#### **IV.D.1.b)** Foreign Participation

Foreign Participation is allowed up to 100 per cent under the existing laws in all areas except the reserved ones.

#### IV.D.2. Shares and Securities

Foreign investors may invest in shares and securities quoted on the stock exchange with foreign exchange sent or brought into Bangladesh.

#### IV.D.2.a) Easy Access

**IV.D.2.a) i.** Foreign investors may invest in new private allocation of shares of industrial enterprises.

**IV.D.2.a) ii.** Foreign investors are not required to carry out such transactions through registered brokers or members of the stock exchange.

**IV.D.2.a**) **iii.** There are no restrictions on the transfer of shares to other non-residents.

#### **IV.D.2.b)** Restrictions

**IV.D.2.b) i.** There is a restriction on foreign investors buying national savings bonds.

**IV.D.2.b) ii.** Foreign investors cannot sell their shares, irrespective of their percentage of equity and paid-up capital through public issues.

#### **IV.D.3. Management Control**

Anyone who is chosen to hold the position of a Director or managerial role based on relevant qualifications and skills will be able to succeed to that position and his/her nationality will not be a bar as such. However, citizens of Israel will not be able to serve as directors or managers because Bangladesh does not have any diplomatic relations with the state of Israel.

#### **IV.E. Investment Protection for Foreign Investors**

The Foreign Private Investment (Promotion and Protection) Act of 1980 guarantees protection against expropriation. If a foreign investor becomes subject to a legal measure that has the effect of expropriation, adequate compensation will be paid and it will be freely repatriable. The amount of the compensation will be determined in accordance with the market value of the investment immediately before the measure went into effect. (As noted earlier, Bangladesh is also a signatory in good standing of the Multilateral Guarantee Agency which insures investors against political risk. There has been no instance of expropriation of foreign property since the Foreign Investment Act was passed in 1980.

# V. FINANCIAL FACILITIES

#### V.A. Banking/Financial Facilities

Bangladesh offers adequate banking facilities to the investors, both domestic and foreign, for establishment of industries and to facilitate their business transactions.

#### V.A.1. The Role of Bangladesh Bank

Bangladesh Bank, as the central bank, has legal authority to supervise and regulate commercial banks and banking institutions. It performs the traditional central banking role of note issuance and as banker to the government and banks.

It formulates and implements monetary policies, manages foreign exchange reserves and supervises banks and non-bank financial institutions.

#### V.A.2. The Financial System

In addition to the Bangladesh Bank, the financial system consists of scheduled banks, non-bank financial institutions, micro finance institutions, insurance companies, co-operative banks, credit rating agencies and stock exchange.

#### V.A.3 The Banks of Bangladesh

Type of Bank	No.	No. of Branches
State owned	4	3,404
Specialized	4	1,382
Private	30	2,816
Foreign	9	62
Total	47	7,664

Source: <u>Bangladesh Economic Review-2011 (Bangla version)</u>, <u>Ministry of</u>

Finance and Board of Investment

#### V.B. Foreign Investors and Loans

#### V.B.1. Local Borrowings

Foreign investors have full access to local capital sources. Banks in Bangladesh may extend working capital loans or term loans in local currency to foreign-controlled or foreign-owned firms/companies (manufacturing or non-manufacturing) operating in Bangladesh on the basis of normal banker-customer relationship, without reference to Bangladesh Bank. Interest rates vary from 19 to 21 per cent.

#### V.B.2. Foreign Loans

<sup>\*</sup> As of February, 2011

Industrial enterprises in Bangladesh (local, foreign or joint venture) may borrow abroad with prior BOI approval. Remittances towards payment of interest and repayment of principal as per terms of BOI approved borrowing may be made through Authorised Dealers without prior Bangladesh Bank.

# VI. STRUCTURES FOR DOING BUSINESS

#### VI.A. Registered Companies

Any company with unlimited liability, liability limited by shares or liability limited by guarantee may register as a company under the Companies Act 1994. Forms for incorporation and registration are available with the office of the Registrar of Joint Stock Companies and Firms. Nominal fees are charged for registering the Memorandum and Articles of Association of a proposed company.

#### VI.B. Limited liability- Companies Limited by Shares

There are two types of companies limited by shares, the public and the private.

#### **VI.B.1. Private Limited Companies**

A private limited company is restricted in its rights to transfer its shares and it is also limited in the number of its members. The following are the essential features of a private limited company:

- (i) Its members will have restricted rights to transfer shares.
- (ii) It will consist of a minimum of 2 and a maximum of 50 members. Members do not include persons employed in the company.
- (iii) It will prohibit any invitation to the public to subscribe to its shares or debentures.
- (iv) Trading and business may commence from the date of its incorporation.

#### VI.B.2. Public Limited Companies

A public limited company offers shares and debentures to the public through a prospectus which complies with the requirements of the Companies Act 1994 and the Securities and Exchange Commission Act 1993. The features of a public limited company are as follows:

- (i) A public limited company may issue invitation to the members of the public to subscribe to the shares and debentures of the company.
- (ii) It will consist of a minimum of 7 members. There is no limit as to the maximum number of its members.
- (iii) It must have at least 3 Directors.
- (v) A public limited company may be formed after conversion of a private company.
- (vi) Publicly traded companies pay a lower rate of corporate  $\tan 27.5$  per cent rather than 37.5 per cent.

#### **VI.C.** Companies Limited by Guarantees

When a company is incorporated with the liability of the shareholders limited by guarantee, the shareholder will only be required to pay capital when the company commences its winding up.

#### VI.C.1. Features of a Guarantee Company

- (i) Guarantee Company will be wound up if it is unable to discharge its liabilities due to inadequate funds.
- (ii) Each member who is a shareholder at the time of commencement of winding up is liable to pay an amount prescribed in the memorandum of association.

# VII. REQUIREMENTS FOR THE ESTABLISHMENT OF A BUSINESS

#### VII.A. Place of Business

Foreign companies not registered in Bangladesh can set up a place of business in Bangladesh in the form of a Branch Office or a Liaison Office. Permission will be required from the Bangladesh Bank and the BOI in order to open up a Branch Office or a Liaison Office.

#### VII.B. Foreign Investment

As mentioned earlier, foreign investors may set up an industrial entity which is wholly owned or set up in collaboration with local investors. There is no requirement to obtain prior permission to set up such enterprises if the entrepreneurs use their own funds.

#### VII.C. Registration of Foreign Direct Investment

Although prior permission is not required, it is advised that a business entity is registered in order to benefit from various facilities and institutional support provided by the government, entrepreneurs and sponsors.

#### VII.C.1. EPZ or Industrial Estate

If the business is to be set up in an EPZ or industrial estate (see para IV. B), registration must take place with BEPZA or Bangladesh Small Cottage and Industry Corporation (BSCIC).

#### VII.C.2. Any other Businesses

If the business is to be set up elsewhere, it must register with the BOI.

#### VII.C.3. Manufacturing Firm

A manufacturing firm employing ten or more workers must also register with the Chief Inspector of Factories and Establishments.

#### VII.C.4. Businesses Requiring Pre -Registration Clearance

A Pre- Registration Clearance is required for investment in the following areas as FDIs are discouraged in these areas:

- (i) Ready-made garments
- (ii) Banks
- (iii) Insurance companies
- (iv)Other financial institutions

#### VII.D. Environmental Regulations

All industrial and other projects that may be potentially polluting are required, in accordance with the Environment, to undertake some form of environmental impact assessment.

#### VII.D.1. Environmental Clearance

Environmental clearance must be obtained from the Department of Environment. The process takes 15 days for projects with low levels of potentially adverse impact and 30 days for projects with significant impact.

### **VII.E. Zonal Restrictions**

There are no regional or zonal restrictions on investment.

#### **VII.E.1. Location for Business**

Investors can set up businesses in any part of the country except in the areas reserved for the armed forces or declared environmental preserves (e.g., the mangrove forests in the Sunderbans).

#### **VII.E.2.** Investment Incentives

The availability of investment incentives including tariff concessions and taxholiday periods varies according to location, with the less developed regions providing the best offers.

#### **VII.F. Building and Related Permits**

A foreign investor will receive assistance to acquire buildings and industrial plots depending on the nature of the business.

#### VII.F.1. Businesses in the Export Processing Zones (EPZ)

- (i) Investors can rent custom-made premises within the EPZs.
- (ii) Investors need to have the designs of their buildings approved by the city development authorities.

#### VII.F.2. Businesses outside the EPZs

Investors requiring industrial plots to set up factories in areas outside of the BEPZA zones and BSCIC estates may approach the BOI for assistance. BOI requirements for providing assistance are as follows:

- (i) The Company must be registered
- (ii) The Company must have an industrial lay out plan to justify actual requirements.

# VIII. TERMINATION OF BUSINESS

A company can wind up on its own initiative or the court may intervene to wind up the company.

#### VIII.A. Investor's Decision to Wind up

- (i) The decision must be made at the annual general meeting or the extraordinary general meeting.
- (ii) The Company must inform the public through the Government gazette or a newspaper within 10 days of taking such a decision.
- (iii) The directors of the Company must agree to pay off the liabilities of the enterprise within 3 years of the winding up and this agreement must be backed by an auditor's report.
- (iv) The Company can appoint liquidators to pay off its liabilities. After completing the task, the liquidator must prepare a report on the liquidation process and explain how liabilities have been paid off. This report should be submitted to the Registrar of Joint Stock Companies.

#### VIII.B. Court's Initiative to Wind up

The Court may, by its own initiative wind up a company in accordance with Section 241 of the Companies Act 1994.

#### VIII.C. Repatriation of Capital

Foreign investors have the right to sell their concerns to local entrepreneurs. Once a foreign investor has completed the formalities to exit the country, (s) he can repatriate the sales proceeds or the balance after securing proper authorization from the Bangladesh Bank. Fully documented applications are disposed of promptly. No approval by the Bank is required for the repatriation of portfolio investment.

# IX. LABOUR LEGISLATION, RELATION AND SUPPLY

#### IX.A. Workforce

Bangladesh offers an abundant supply of disciplined, easily trainable and low-cost work force suitable for any labour- intensive industry. Furthermore, there is an increasing supply of professionals, technologists and other middle and low level skilled workers who have received technical training from universities, colleges, technical training centers and polytechnic institutions.

#### **IX.B.** Employment Conditions

#### IX.B.1. Minimum Age

The minimum age for workers in Bangladesh is 16 years in factories and establishments.

#### IX.B.2. Contracts

Contracts are made in the form of a letter of offer but workers may also be engaged on verbal agreements.

#### IX.B.3. ILO Convention

Bangladesh is a member to ILO and both the private and public sectors are encouraged to observe the principles so enunciated in the ILO Convention and Recommendations.

#### IX. C. Labour Laws

#### IX.C.1.The Labour Act 2006

The Labour Act 2006 consolidated and amended previous laws relating to employment of workers, relationship between workers and employers, determination of minimum wages, payment of wages, compensation for injuries arising out of and in the course of employment, formation of trade unions, raising and resolving industrial dispute, health, safety, welfare and environment of employment of workers and apprentice and related issues.

#### **IX.C.2. Settlement of Labour Disputes**

The process for settlement of industrial disputes is stipulated under section 210 - 211 of the Labour Act 2006, a summary of which detailed below:

- (i) If the collective bargaining agent or the employer finds that an industrial dispute is likely to arise between the employer and the workers, the employer or the collective agent shall communicate his or its views in writing to the other party.
- (ii) Within fifteen days of the aforesaid communication, the party receiving the communication shall arrange a meeting with the other party for collective bargaining of the issue raised with a view to reaching an agreement thereon through the procedure of a dialogue.
- (iii) If the parties reach a settlement on the issues, a memorandum of settlement shall be recorded in writing and signed by both parties and a copy shall be forwarded to the Government, Director of Labour and Conciliator.

- (iv) If the meeting is not arranged within fifteen days or the parties fail to reach a settlement within one month of the first meeting held for settlement, report thereof may be referred to the Conciliator requesting him in writing to settle the dispute through conciliation.
- (v) If there is a settlement of the dispute through conciliation, the Conciliator shall send a report thereof to the Government. If the conciliation fails, the Conciliator shall try to persuade the parties to refer the dispute to an Arbitrator for settlement. If the parties fails to agree to an Arbitrator within three days, the Conciliator will issue a certificate of failure.
- (vi) Within fifteen days of issuance of the certificate of failure, the party who has raised the dispute may opt for strike or lock-out. Such an action may be prohibited by the Government if it relates to essential services such as electricity, gas, emergency services, airports and ports.

#### IX.D. Wages and Fringe Benefits

Wages may be determined through collective bargaining processes. However, in instances where collective bargaining procedure is unable to determine wages, it may be referred to the Minimum Wages Board. The Minimum Wages Board strives to ensure a balanced view of both the interests of the management and the workers.

#### IX. E. Weekly Working Hours

An adult worker shall be required to work in an establishment for no more than forty-eight hours in any week. If a worker works for more than the prescribed hours in any day or in any week, he shall be entitled to overtime at the rate of twice of the average of his/her basic wages, dearness allowance and ad-hoc or interim wages, if any. Workers can work in an establishment up to 9 hours a day but not more than 10 hours a day.

#### IX.F. Leave and Holidays

#### IX.F.1. Weekly Holidays

Every worker working in any establishment, in case of shop, commercial or industrial establishment will be entitled to one and half day weekly holiday and in case of factories and other establishments, one day weekly holiday.

#### **IX.F.2** Annual Leave with Wages

Every adult worker who has completed one year continuous employment shall be entitled to leave with full wages in the subsequent period of twelve months for a number of days. In the case of a shop, commercial or industrial establishment or factory, or transport establishment, a worker is entitled to one day leave for every eighteen days of work.

#### **IX.G. Social Security**

The Labour Act 2006 contains provisions on compensation for workers injured in the course of employment, maternity benefit and provident funds for workers of non-Government establishments. The Act also requires certain industrial undertakings to establish a Workers' Participation Fund and a Worker's Welfare Fund.

#### IX.H. Labour Union

The Labour Act 2006 lays down the provisions on formation of trade unions and its registration requirements.<sup>5</sup>

#### IX.H.1. Right to Form an Association

Any worker has the right to form an association/union primarily for the purpose of regulating the relations between workers and employers or workers and workers. However, such an association union can only function as a trade union if registered under the law.

#### **IX.I.2. Formation**

In any industrial and commercial establishment, a trade union may be formed with 30% membership of the total number of workers employed.

#### IX.I.3. Disputes

<sup>&</sup>lt;sup>1</sup> Section 150 – 174 of the Labour Act 2006

<sup>&</sup>lt;sup>2</sup> Section 45 – 50 of the Labour Act 2006

<sup>&</sup>lt;sup>3</sup> Section 264 – 273 of the Labour Act 2006

<sup>&</sup>lt;sup>4</sup> Section 232 – 252 of the Labour Act 2006

<sup>&</sup>lt;sup>5</sup> Section 175 – 208 of the Labour Act 2006

# **X. TAXATION**

# X.A Income Tax

Income level (Taka)	Rate	Remarks	
a. On the first Tk. 165,000	0%	Female tax payers & elderly persons (65 Yrs & above): Tk. 180,000	
b. On the next 275,000	10%		
c. On the next 325,000	15%		
d. On the next 375,000	20%		
e. On the balance	25%	Rebate opportunity for those	
f. Minimum tax (of total income) for all in the "individual" category		Tk. 2,000	
g. Non-resident individual (other than non-resident Bangladeshi)	25%		
Source: BOI and National Board of Revenue			

# X.B. Corporate Tax

Company/business	Rate	Condition/rebate
a. For publicly traded companies (except bank, insurance, leasing & other financial institutions)	27.5%	a. Any listed company declares dividend at 20%, or higher, will benefit from tax abatement at 10%. b. Any listed company which declares a dividend at 10% or lower, or does not distribute a dividend by the date declared by the SEC*, will be required to pay tax at 37.5%.

b. For non-publicly traded companies (except bank, insurance, leasing & other financial institutions)	37.5%		
c. Bank, insurance, leasing & other financial institutions	45%		
d. For mobile phone operator companies	45%	If the mobile phone operator company transforms to a publicly traded company offering at least 10% of paid up capital in an IPO, then the tax rate will be 35%.	
e. Dividend or profit withholding	15%	For foreign investment, it is based on existence of a bilateral tax convention with the investors' country.	
f. Expatriates in Bangladesh (Not NRBs**)	25%		
Minimum corporate tax		Tk. 5,000	
Source: BOI and National Board of Revenue			

#### X.C. Capital Gains Tax

Capital Gains from the transfer of shares of public limited companies listed with a stock exchange are tax-exempt. In computing capital gain, deductions are made from the full value or sales proceeds or the fair market price (whichever is higher) of the capital assets.

#### **X.D. Dividend Income**

The dividend income which is received by shareholders (other than companies) is tax-exempt. However, this benefit is not available to shareholders of private limited companies.

#### X.E. Royalties

Royalties and technical know-how fees received by any foreign collaborator, firm, company or expert are also tax-exempt.

#### X.F. VAT

Bangladesh has replaced the sales and excise tax by the more modern value added tax (VAT). The VAT is imposed at a flat rate of 15 per cent. Excise duties do

exist on a few items and a turnover tax may be imposed on small-scale activities which cannot be taxed through the VAT.

#### X.G. Salaries of Foreign Technicians

Salaries of foreign technicians are tax exempt for a period of 3 years from the date of their arrival in Bangladesh provided their salaries are for services stipulated under a contract approved by the National Board of Revenue. A technician in this context is a person with specialised knowledge and experience in the industrial arts and sciences.

#### XI. EXCHANGE and REMITTING FUNDS

The Bangladesh Taka was declared convertible for current account transactions in March 1994. As a result, payment settlements against trade in goods and services have been freely permitted.

#### **XI.A.** The Role of Authorised Dealers (AD)

- (i) ADs can settle payments for all imports inconformity with the Import Policy.
- (ii) ADs can settle payments abroad for freights and passages, technical service fees and royalties and issue foreign exchange for travel abroad by residents.

#### **XI.B.** Remittances

Before effecting remittances, ADs must scrutinize the remittance request to be satisfied that these represent *bona fide* current transactions and are not disguised attempts to circumvent capital transfer restrictions.

#### **XI.B.1. Remittance of Profits**

The repatriation of sale proceeds (including capital gains) of shares of companies listed in a Stock Exchange in Bangladesh may be made through an AD if such investment takes place through Non-Resident Investors Taka Account operation. Remittance of sale proceeds of shares of companies not listed in a Stock Exchange requires prior Bangladesh Bank permission, which is accorded to for amounts not exceeding the net asset value of the shares. Transfer of shares and securities from non-resident loc quires no prior Bangladesh Bank approval.

#### **XI.B.2.** Remittance of Salaries and Savings by Expatriates

Foreigners employed in Bangladesh with the approval of the Government may remit 50% of salary, actual savings and admissible retirement benefits through an AD. Net salary of foreign national's payable for the period of leave admissible to them as per their service contract duly approved by the Government will be remittable.

#### **XI.C.** Convertibility on Trade Accounts

The Bangladeshi Taka is fully convertible for current account transactions. All current transactions including trade and investment as well as investment related transactions may be conducted by individuals-firms through authorized dealers (banks) without prior permission of Bangladesh Bank.

#### **XI.D.** Exchange Facilities for Exporters

#### **IX.D.1.** Merchandise Exporters

Merchandise exporters may retain up to 50 per cent of the realized FOB value of their exports in foreign-currency accounts.

#### **IX.D.2** Exporters with High Import Items

For export items with high import contents (such as naphtha, furnace oil, bitumen, readymade garments etc.), the retention quota is 10%.

#### **IX.D.3. Service Exporters**

Service exporters may retain 5% of their repatriated income in foreign currency accounts. Funds may be drawn from these accounts to meet expenses for bonafide business expenses abroad. This quota may also be kept in interest bearing renewable term deposit accounts.

# XII. IMMIGRATION

#### XII.A. Immigration Procedure

Business visitors to Bangladesh will require a visa. The visa has to be obtained from the Bangladeshi diplomatic mission in the visa applicant's country. Bangladesh issues the following categories of business visas:

- (i) Single-entry for three months
- (ii) Multiple-entry for three months
- (iii) Multiple-entry for six months

#### XII.B. Landing Permit / Visa on Arrival (LP/VOA)

Foreign investors and businesspersons can apply for a LP/VOA on arrival at the Hazrat Shahjalal International Airport, Dhaka for duration of 30 days provided:

- (i) The foreign investor is identified by a certificate issued by BOI or BEPZA.
- (ii) The foreign businessperson who is directly associated with import of Bangladeshi products is identified by a certificate from the relevant associations of export-oriented commercial/industrial organizations (ie-Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) or the Bangladesh Garment Manufacture and Export Association (BGMEA)).
- (iii) LP/VOA cannot be extended under any circumstances.
- (iv) The LP/VOA applicant must have \$500 endorsed in his/her passport or in cash.
- (v) The LP/VOA applicant must have a return ticket.
- (vi) The LP/VOA Fee will be determined on Reciprocity Policy with the respective countries.

#### **XII.C.** Work Permits

In order to employ a foreign national, it is imperative that the employer obtain a work permit. The following are the conditions need to be fulfilled before applying for a work permit:

#### (i) Nationality of Employee

All nationalities, except for Israeli citizens will be permitted to undertake employment in Bangladesh.

#### (ii) Registered Industrial Establishments

Employment of expatriate personnel should only be considered in industrial establishments which are sanctioned/registered by the appropriate authority.

#### (iii) Minimum Age of Foreign Employee

Persons below 18 years of age are not eligible for employment.

#### (iv) Local Experts not Available

Employment of foreign nationals is normally considered for jobs in which local experts/technicians are not available.

#### XII.C.5. Decision made by the Board of Directors

The work permit application must include the decision of the Board of Directors to take on new employees.

# XII.C.6. Maximum number of Foreign Employees

Number of foreign employees should not exceed 5% of the total employees including top management personnel.

#### XII.C.7. Duration of Employment

Initially employment of any foreign national is considered for a term of 2 years which could then be extended on the basis of merit of the case.

#### XII.C.8. Security Clearance

Security clearance must be obtained from the Ministry of Home Affairs.

#### XIII. CONTACT DETAILS

#### XIII.A. Embassies and Consulates

#### (1) Embassy of the Islamic State of Afghanistan

Embassy of the Islamic State of Afghanistan House CWN (C) #2A, Road #24, Gulshan #2, Dhaka.

Telephone: 9895994

Fax: 9884767

#### (2) Australian High Commission

Australian High Commission

184, Gulshan Avenue, Dhaka-1212 Telephone: 88131015

Fax: 8811125

#### (3) Royal Bhutanese Embassy

House #12, Road #107, Gulshan #2, Dhaka.

Telephone: 8826863, Fax: 8823939

#### (4) Canadian High Commission

House No. 16A, Road No. 48 Gulshan, Dhaka-1212 Telephone: 9887091-7

Fax: 8823043

#### (5) Embassy of the People's Republic of China

Plot No. 2 & 4. Road No. 3 Block-1, Baridhara, Dhaka-1212

Telephone: 8824862

Fax: 8823004

#### (6) Royal Danish Embassy

House No. 1, Road No. 51 Gulshan Model Town, Dhaka

Telephone: 8821799

Fax: 8823638

#### (7) Embassy of the Arab Republic of Egypt

House No. NE (N)-9, Road No. 90

Gulshan, Dhaka

Telephone: 8822766-7

Fax: 8824883

#### (8) Embassy of the Republic of France

House No. 18, Road No. 108

Gulshan, Dhaka-1212

Telephone: 607083, 607084

Fax: 8823612

#### (9) Embassy of the Federal Republic of Germany

Embassy of the Federal Republic of Germany 178, Gulshan Avenue, Dhaka-

1212

Telephone: 8824735-37

Fax: 8823141

#### (10) 10. Embassy of the Holy See (Vatican)

United Nation Road 2, Baridhara Diplomatic Enclave P.O. Box

6003 Gulshan, Dhaka-1212

Telephone: 8812018, 8812143

Fax: (880-2) 8813574

#### (11) High Commission of India

House #2, Road #142, Gulshan #1, Dhaka. Telephone: 9888189-91, Fax: 8613662

#### (12) Embassy of the Republic of Indonesia

Plot #14, Road #53, Gulshan #2, Dhaka-1212

Telephone: 8812260

Fax: 8825391

#### (13) Embassy of the Islamic Republic of Iran

House No. 7, Road No. 6, Baridhara, Dhaka

Telephone: 8825896

Fax: 8828780

#### (14) Embassy of the Republic of Iraq

House No. 8, Road No. 59, Gulshan -2, Dhaka-1212

Telephone: 8823277

Fax: 8823277

#### (15) Embassy of the Republic of Italy

Plot No. 2 & 3, Road No. 74/79 Gulshan Model Town, Dhaka

Telephone: 8822781-3

Fax: 8822578

#### (16) Embassy of Japan

Plot No. 5 & 7, Dutabsh Road, Diplomatic Enclave, Baridhara,

Dhaka

Telephone: 8810087

Fax: 8826737

#### (17) Embassy of the Democratic People's Republic of Korea

House 6, Road 7, Baridhara, Dhaka

Telephone: 8811893 Fax: (880-2) 8810813

#### (18) Embassy of the Republic of Korea

4 Madani Avenue, Baridhara, Dhaka Telephone: 8812088-90, 8812041

Fax: (880-2) 8813871

#### (19) Embassy of the State of Kuwait

SE(D)-5, 26, South Link Road, Gulshan, Dhaka-1212

Tel: 882700-03 Fax: 88-02-883753

#### (20) People's Bureau of the Great Socialist People's Libyan Arab

#### Jamahiriya

4 CWN (C), Gulshan Avenue, Dhaka.

Telephone: 9895808-9

Fax: 8823417

#### (21) High Commission of Malaysia

Plot No. 1 United Nations Road,

Baridhara, Dhaka.

Telephone: 8827759-60

Fax: 8823115

#### (22) Embassy of the Kingdom of Morocco

House #44, United Nations Road, Baridhara, Dhaka.

Telephone: 8823176

Fax: 8810028

#### (23) Embassy of the Union of Myanmar

No NE (L) #3, Road #84, Gulshan #2, Dhaka.

Telephone: 9896373

Fax: 8823740

#### (24) Royal Nepalese Embassy

United Nations Road #2, Baridhara Diplomatic Enclave, Dhaka.

Telephone: 9892490

Fax: 8826401

# (25) Royal Netherlands Embassy

Road 90, House 49 Gulshan II

Dhaka

Telephone: 8822715-18

Fax: 8823326

#### (26) Royal Norwegian Embassy

House 9, Road 111, Gulshan, Dhaka

Telephone: 881 6276, 881 05 63, 882 3880

E-mail: emb.dhaka@mfa.no

Fax: 882 3661

# (27) High Commission for the Islamic Republic of Pakistan

House NE (C) #2, Road #71, Gulshan Avenue, Dhaka. Telephone: 8825387-9

Fax: 8823677

#### (28) Embassy of the State of Palestine

CES (C) #4, Road #118, Gulshan Model Town, Dhaka.

Telephone: 9893895-6

Fax: 8823517

#### (29) Embassy of the Republic of the Philippines

House #6, Road #101 Gulshan #2, Dhaka. Telephone: 9881578

Fax: 882368

#### (30) Embassy of the Republic of Poland

House #111, Road #4, Banani, Dhaka.

Telephone: 8825895

Fax: 8827568

#### (31) Embassy of the State of Qatar

House #23, Road #108 Gulshan, Dhaka.

Telephone: 8819930

Fax: 8823950

#### (32) Embassy of Romania

House No. 33, Road No. 74 Gulshan, Dhaka Telephone: 600128, 8822502

Fax: 8822502

#### (33) Embassy of the Russian Federation

House No. NE(J) 9, Road 79

Gulshan, Dhaka Telephone: 8828147

Fax: 8823735

#### (34) Royal Embassy of Saudi Arabia

House #5 (NE) L, Road #83

Gulshan #2, Dhaka Telephone: 8829124-31

Fax: 8823616

#### (35) Consulate of the Republic of Singapore

House #15, Road #68/A Gulshan #2, Dhaka.

Telephone: 9880404

Fax: 9883666

# (36) The High Commission of the Democratic Socialist Republic of Sri Lanka

House #15, Road #50

Gulshan #2, Dhaka.

Telephone: 8810779

Fax: 8823971

#### (37) Embassy of Sweden

House #1, Road #52

Gulshan #2, Dhaka.

Telephone: 8824761-4

Fax: 8823948

#### (38) Embassy of Switzerland

House #31/B, Road #18

Banani, Dhaka.

Telephone: 8812874-6

Fax: 8823872

#### (39) **Royal Thai Embassy**

House NO. NW(I)-04 Road No. 58/62

Gulshan Model Town, Dhaka

Telephone: 8812795-6

Fax: 8823588

# (40) Embassy of the Republic of Turkey

House #14, Road #11 Baridhara, Dhaka. Telephone: 8822198

Fax: 882373

#### (41) Embassy of the United Arab Emirates

House No. CEN(H)-41 Road No. 113 Gulshan, Dhaka

Telephone: 9882244, 9882255

#### (42) British High Commission

United Nations Road Baridhara, Dhaka

Telephone: 8822705-9

Fax: 8823437

#### (43) Embassy of the United States of America

Madani Avenue Baridhara, Dhaka

Telephone: 8824700-22

Fax: 8823744

#### (44) Counsular Agency of the Republic of Uzbekistan

Wali Center, 3rd Floor, House #74, Gulshan Avenue, Dhaka.

Telephone: 8813453

Fax: 8813453

#### (45) Delegation of the European Commission

House 7, Road 84, Gulshan, Dhaka

Telephone: 8814730-2, 607016, 871464

Fax: (880-2) 8813118

#### XIV. TERMS AND DEFINITIONS

#### XIV.A. Board of Investment

The Board of Investment (BOI) was established by the Investment Board Act of 1989 to promote and facilitate investment in the private sector both from domestic and overseas sources with a view to contribute to the socio-economic development of Bangladesh. It is headed by the Prime Minister and is a part of the Prime Minister's Office.

#### **Major Functions of BOI include:**

- · Providing necessary facilities and assistance in the establishment of industries.
- · Implementing investment related GOB policies.
- · Preparing investment schedule.
- · Registering private sector industrial projects; and
- ·Identifying competitive investment sectors and facilitating investment by providing information and services.

#### XIV.B. Bangladesh Small Cottage and Industry Corporation (BSCIC)

**BSCIC** is a promotional organisation. It fosters the promotion and extension of Small and Cottage Industries (SCI) in the private sector in Bangladesh and is a Government statutory body.

**BSCIC** 

Provides the following:

- · Pre investment counselling
- · In plant advisory services
- · Post investment extension services,
- · Developed Industrial plots for investors

#### XIV.C. Foreign Direct Investment (FDI)

The World Investment Report 2002 (UNCTAD: 2002:291) has detailed the FDI as following:

FDI is defined as an investment involving a long-term relationship and reflecting a lasting interest and control by a resident entity in one economy (foreign direct investor or parent enterprise) in an enterprise resident in an economy other than that of the foreign direct investor (FDI enterprise or affiliate enterprise or foreign affiliate). FDI implies that the investor exerts a significant degree of influence on the management of the enterprise resident in the other economy. Such investment involves both the initial transaction between the two entities and all subsequent transactions between them and among foreign affiliates, both incorporated and unincorporated. FDI may be undertaken by individuals as well as business entities.

#### XIV.D. Export Processing Zone (EPZ)

EPZs provide necessary fiscal, non- fiscal and infrastructure facilities for export-oriented enterprises. There are various benefits enjoyed by businesses within an EPZ namely, tax holidays, readymade factory buildings and industrial plots are available for rental, and

duty free imports of supplies. Bangladesh Export Processing Zone Authority approves all projects to be located in the EPZs.