

The Finance Ordinance, 1984

(Ordinance NO. XLII OF 1984)

[27th June, 1984]

An Ordinance to give effect to the financial proposals of the Government and to amend certain laws.

WHEREAS it is expedient to make provisions to give effect to the financial proposals of the Government and to amend certain laws for the purpose hereinafter appearing;

NOW, THEREFORE, in pursuance of the Proclamation of the 24th March, 1982, and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance:-

Short title and

1. (1) This Ordinance may be called the Finance Ordinance, 1984.

commencement

(2) Except as otherwise provided in this Ordinance, this section and sections 5 and 8 shall come into force at once, and other sections shall come into force on the first day of July, 1984.

Amendment of Act VI of 1898

2. In the Post Office Act, 1898 (VI of 1898), for the First Schedule thereto the Schedule set out in the First Schedule to this Ordinance shall be substituted.

Amendment of Act II of 1899

3. In the Stamp Act, 1899 (II of 1899), in section 28, after sub-section (2), the following new sub-section (2A) shall be inserted, namely:-

“(2A) Notwithstanding anything contained in sub-sections (1) and (2), where any property mentioned in any of these sub-sections is conveyed to the same person in parts by separate instruments executed within twelve months, the conveyance of the last part shall be chargeable with such amount of duty as would make up the ad valorem duty with which the

conveyance for the whole property would be chargeable had it been conveyed by one instrument.”.

Amendment of Ben. Act I of 1932

4. In the Motor Vehicles Tax Act, 1932 (Ben. Act I of 1932), in the First Schedule, for item 2 the following shall be substituted, namely:-

“2. Vehicles for carrying passengers not plying for hire-

(a) seating not more than two passengers .. Taka three hundred.

(b) seating not more than three passengers .. Taka six hundred.

(c) seating not more than four passengers .. Taka nine hundred.

(d) every additional passenger that can be seated .. Taka one hundred.”.

Amendment of Act I of 1944

5. The following amendments shall be made in the Excises and Salt Act, 1944 (I of 1944), namely:-

(1) after section 3B, the following new section shall be inserted, namely:-

“3C. Principle for determination of tariff classification.- When for any reason, goods are, prima facie, classifiable under two or more headings of the First Schedule, the heading which provides the most specific description shall be preferred to headings providing a more general description.”;

(2) in section 37, in sub-section (3), for the words “two thousand Taka” the words “ten thousand taka” shall be substituted;

(3) The FIRST SCHEDULE shall be amended in the manner set out in the SECOND SCHEDULE to this Ordinance.

Amendment of Act XIV of 1963

6. The following amendments shall be made in the Gift-tax Act, 1963 (XIV of 1963), namely:-

(1) in section 2,-

(a) in clause (ii), for the words, figure and letter “appointed under section 5A of the Income-tax Act” the words and figure “established under section 11 of the Income Tax Ordinance” shall be substituted;

(b) clause (va) shall be omitted;

(c) in clause (vii), for the words, brackets, figures and letter “clause (5A) of section 2 of the Income-tax Act” the words, brackets and figures “clause (20) of section 2 of the Income Tax Ordinance” shall be substituted;

(d) clause (xiiia) shall be omitted;

(e) for clause (xiv) the following shall be substituted, namely:-

“(xiv) “Income Tax Ordinance” means the Income Tax Ordinance, 1984 (XXXVI of 1984);

(xiva) “income year” has the meaning assigned to it in clause (35) of section 2 of the Income Tax Ordinance;”;

(f) in clause (xva), for the words, comma, figures and brackets “Income-tax Act, 1922 (XI of 1922)” the words “Income Tax Ordinance” shall be substituted;

(g) clauses (xx) and (xxiva) shall be omitted;

(h) in clause (xxvi), for the words, comma, figures and brackets “Income-tax Act, 1922 (XI of 1922)” the words “Income Tax Ordinance” shall be substituted;

(2) in section 3, for the words “previous year” the words “income year” shall be substituted;

(3) in section 5,-

(a) except as otherwise provided-

(i) for the words “taxable territories”, wherever occurring, the word “Bangladesh” shall be substituted;

(ii) for the words “previous year” and “pervious years”, wherever occurring, the words “income year” and “income years” shall respectively be substituted;

(b) in sub-section (1),-

(i) in clause (ii), in sub-clause (a), the word “ordinarily” shall be omitted;

(ii) in clause (iv), for the words, figure and letter “section 15D of the Income-tax Act” the words, figure and letter “paragraph 12 of Part B of the Sixth

Schedule to the Income Tax Ordinance” shall be substituted;

(c) in the Explanation, for clause (a) the following shall be substituted, namely:-

“(a) an individual shall be deemed to be resident in Bangladesh during the income year in which the gift is made if during that year he is regarded as a resident in Bangladesh within the meaning of the Income Tax Ordinance;”;

(4) in section 7,-

(a) in sub-section (1), for the words, comma, figures and brackets “Income-tax Act, 1922 (XI of 1922)” the words “Income Tax Ordinance” shall be substituted;

(b) in the Explanation, for the words “Income-tax Act” the words “Income Tax Ordinance” shall be substituted;

(5) in section 13,-

(a) in sub-section (1), for the words “a previous year” the words “an income year” shall be substituted;

(b) in sub-section (2), for the words “previous year” the words “income year” shall be substituted;

(6) in section 18, for the words “previous year” the words “income year” shall be substituted;

(7) in section 22, in sub-section (1), in clause (f), for the words, brackets and figures “sub-section (1) of section 46 of the Income-tax Act” the words, brackets and figures “sub-section (1) of section 137 of the Income Tax Ordinance” shall be substituted;

(8) in section 23, in sub-section (11),-

(a) for the words, brackets, figures, comma and letter “sub-sections (5), (7) and (8) of section 5A of the Income-tax Act” the words, figures and comma “sections 12, 13 and 15 of the Income Tax Ordinance” shall be substituted;

(b) for the words “Income-tax Act” occurring at the end the words “Income Tax Ordinance” shall be substituted;

(9) for section 33 the following shall be substituted, namely:-

“33. Mode of recovery.-The provisions of sections 134, 137, 138, 139, 140, 141, 142 and 143 of the Income Tax Ordinance shall apply as if the said provisions were provisions of this Act and referred to gift-tax and sums imposed by way of penalty under this Act, instead of to income tax and sums imposed by way of penalty under that Ordinance, and to Deputy Commissioner of Taxes and Commissioner of Taxes under this Act instead of to Deputy Commissioner of Taxes and Commissioner of Taxes under that Ordinance.”;

(10) for section 41 the following shall be substituted, namely:-

“41. Prohibition of disclosure of information.-(1) subject to the provisions contained in sub-section (2), the provisions of sections 163, 168 and sub-section (1) of section 169 of the Income Tax Ordinance shall apply to all accounts or in relation to statements, documents, evidence or affidavits given, produced or obtained in connection with or in the course of any proceeding under this Act as they apply to or in relation to similar particulars under that Ordinance.

(2) Nothing contained in sections 163 and 168 of the Income Tax Ordinance shall apply to the disclosure of any such particulars as are referred to in sub-section (1) to any person acting in the execution of this Act or the Income Tax Ordinance or the Wealth-tax Act, 1963 (XV of 1963), where it is necessary or desirable to disclose the same to him for the purpose of this Act or of the other Act and the Ordinance aforesaid.”;

(11) for section 45 the following shall be substituted, namely:-

“45. Act not to apply in certain cases.- The provisions of this Act shall not apply to gifts made by-

(a) a corporation established by or under any law for the time being in force;

(b) any institution or fund the income whereof is exempt from income tax under paragraph 1 of Part A of the Sixth Schedule to the Income Tax Ordinance.”.

**Amendment
of Act XV of
1963**

7. The following amendments shall be made in the Wealth-tax Act, 1963 (XV of 1963), namely:-

(1) in section 2,-

(a) in clause (b), for the words, figure and letter “appointed under section 5A of the Income-tax Act” the words and figure “established under section 11 of the Income Tax Ordinance” shall be substituted;

(b) in clause (h), for the words, brackets, figures and letter “clause (5A) of section 2 of the Income-tax Act” the words, brackets and figures “clause (20) of section 2 of the Income Tax Ordinance” shall be substituted;

(c) clause (1A) shall be omitted;

(d) for clause (j) the following shall be substituted, namely:-

“(j) “Income Tax Ordinance” means the Income Tax Ordinance, 1984 (XXXVI of 1984);”;

(e) in clause (00), for the words “Income-tax Act” the words “Income Tax Ordinance” shall be substituted;

(f) clause (000) shall be omitted;

(g) for clause (p) the following shall be substituted, namely:-

“(p) “valuation date”, in relation to any year for which an assessment is to be made under this Act, means the last day of the income year as defined in clause (35) of section 2 of the Income Tax Ordinance if an assessment were to be made under that Ordinance for that year:

Provided that where in the case of an assessee there are different income years under the Income Tax Ordinance for different sources of income, the valuation date for the purposes of this Act shall be the last day of the last of the income years aforesaid;”;

(h) in clause (s), for the words, comma and figure “Income-tax Act, 1922” the words “Income Tax Ordinance” shall be substituted;

(2) in section 5, in sub-section (1),-

(a) in clause (i), for the words “taxable territories” the word “Bangladesh” shall be substituted;

(b) in clause (x), for the words, figure and letter “Chapter IXA of the Income-tax Act” the words and letter “Part B of the First Schedule to the Income Tax Ordinance” shall be substituted;

(3) in section 5A, in clause (1), for the words, comma and figure “Income-tax Act, 1922” the words “Income Tax Ordinance” shall be substituted;

(4) for section 6 the following shall be substituted, namely:-

“6. Exclusion of assets and debts outside Bangladesh.- In computing the net wealth of an individual or a Hindu undivided family not resident in Bangladesh during the year ending on the valuation date-

(a) the value of the assets and debts located outside Bangladesh; and

(b) the value of the assets in Bangladesh represented by any loans or debts owing to the assessee in any case where the interest, if any, payable on such loans or debts is exempt from tax under a notification issued under clause (b) of sub-section (4) of section 44 of the Income Tax Ordinance, shall not be taken into account.

Explanation.-An individual or a Hindu undivided family shall be deemed to be not resident in Bangladesh during the year ending on the valuation date if in respect of that year the individual or the Hindu undivided family, as the case may be, is not resident in Bangladesh within the meaning of the Income Tax Ordinance.”;

(5) in section 7, in sub-section (2), in clause (b), for the words “taxable territories”, wherever occurring, the word “Bangladesh” shall be substituted;

(6) in section 8, in sub-section (1), for the words “Income-tax Act”, wherever occurring, the words “Income Tax Ordinance” shall be substituted;

(7) in section 22, for the words “taxable territories”, wherever occurring, the word “Bangladesh” shall be substituted;

(8) in section 23, in sub-section (1), in clause (f), for the words, brackets and figures “sub-section (1) of section 46 of the Income-tax Act” the words, brackets and figures “sub-section (1) of section 137 of the Income Tax Ordinance” shall be substituted;

(9) in section 24, in sub-section (11),-

(a) for the words, brackets, figures, comma and letter “sub-sections (5), (7) and (8) of section 5A of the Income-tax Act” the words, figures and comma “sections 12, 13 and 15 of the Income Tax Ordinance” shall be substituted;

(b) for the words “Income-tax Act” occurring at the end the words “Income Tax Ordinance” shall be substituted;

(10) in section 31, in sub-section (2), for the words “taxable territories”, wherever occurring, the word “Bangladesh” shall be substituted;

(11) in section 31A, for the words, figures, letter, comma and brackets “section 43A of the Income-tax Act, 1922 (XI of 1922)” the words “section 98 of the Income Tax Ordinance” shall be substituted;

(12) for section 32, the following shall be substituted, namely:-

“32. Mode of recovery.- The provisions of sections 134, 137, 138, 139, 140, 141, 142 and 143 of the Income Tax Ordinance shall apply as if the said provisions were provisions of this Act and referred to Wealth-tax and sums imposed by way of penalty under this Act, instead of to income tax and sums imposed by way of penalty under that Ordinance, and to Deputy Commissioner of Taxes and Commissioner of taxes under this Act instead of to Deputy Commissioner of Taxes and Commissioner of Taxes under that Ordinance.”;

(13) for section 42 the following shall be substituted, namely:-

“42. Prohibition of disclosure of information.-(1) Subject to the provisions contained in sub-section (2), the provisions of sections 163, 168 and sub-

section (1) of section 169 of the Income Tax Ordinance shall apply to all accounts or in relation to statements, documents, evidence or affidavits given, produced or obtained in connection with or in the course of any proceeding under this Act as they apply to or in relation to similar particulars under that Ordinance.

(2) Nothing contained in sections 163 and 168 of the Income Tax Ordinance shall apply to the disclosure of any such particulars as are referred to in sub-section (1) to any person acting in the execution of this Act or the Income Tax Ordinance or the Gift-tax Act, 1963 (XIV of 1963), where it is necessary or desirable to disclose the same to him for the purpose of this Act or of the other Act and the Ordinance aforesaid.”.

**Amendment
of Act IV of
1969**

8. In the Customs Act, 1969 (IV of 1969), in the First Schedule,-

(a) against Tariff Heading No. 84.11 in column (1), in column (3), for the figure “50%”, wherever occurring, the figure “100%” shall be substituted;

(b) against Tariff Heading No. 87.10 in column (1), in column (3), for the figure “100%” the figure “150%” shall be substituted.

**Amendment
of Act XXIII
of 1980**

9. In the Finance Act, 1980 (XXIII of 1980), in section 12,-

(a) after sub-section (1), the following new sub-section shall be inserted with effect on and from the 1st day of August, 1984, namely:-

“(1A) Subject to the provisions of sub-section (2), there shall be levied and collected Foreign Travel Tax on all foreign travels by land or sea by Bangladeshi nationals and Bangladeshis having permanent residence or owning properties or business in Bangladesh or enjoying other facilities not available to foreign nationals, at the rate of fifty taka per traveller by land and two hundred taka per traveller by sea.”;

(b) in sub-section (2), for clause (v) the following shall be substituted, namely:-

“(v) return tickets purchased abroad in foreign currency subject to the condition that journey in respect of such tickets also originate from abroad.”.

**Amendment
of
Ordinance
XVIII of 1982**

10. In the Sales Tax Ordinance, 1982 (XVIII of 1982), after section 5 the following new sections shall be inserted, namely:-

“5A. Power to deliver certain goods without payment of duty and to repay duty on certain goods.- Subject to such conditions, limitations or restrictions as it thinks fit to impose, the Board may, in such general cases as may be prescribed by rules or in particular cases by special order, authorise delivery of goods without payment of sales tax or to repay sales tax on certain goods in accordance with the provisions of section 21 of the Customs Act, 1969 (IV of 1969).

5B. Refund to be claimed within four months.— (1) No refund of any sales tax claimed to have been paid or over-paid through inadvertence, error or misconstruction shall be allowed, unless such claim is made within four months of the date of payment.

(2) In the case of provisional payments of sales tax made along with section 81 of the Customs Act, 1969 (IV of 1969), the said period of four months shall be reckoned from the date of the adjustment of sales tax after its final assessment.

5C. Drawback of the export on imported goods.- Subject to the conditions laid down in Chapter VI of the Customs Act, 1969 (IV of 1969), when any goods, capable of being easily identified which have been imported into Bangladesh and upon which sales tax has been paid on importation, are exported to any place outside Bangladesh or as provisions or stores for use on board a conveyance proceeding to a foreign territory, whole of the sales tax shall be repaid as drawback.

5D. Drawback on goods taken into use between importation and exportation.- Notwithstanding anything contained in section 5C, the repayment of sales tax as drawback in respect of goods which have been

taken into use between their importation and subsequent exportation shall be made in accordance with the provisions of the rules made in that behalf.

5E. Drawback on goods used in the manufacture of goods which are exported.-Where it appears to the Board that in respect of goods of any class or description manufactured in Bangladesh and exported to any place outside Bangladesh, a drawback of sales tax should be allowed on any imported goods of a class or description used in the manufacture of such exported goods, the Board may, by notification in the official Gazette, direct that drawback shall be allowed in respect of such imported goods to such extent and subject to such conditions as may be provided in rules.

5F. When no drawback allowed.- Notwithstanding anything contained in section 5B, 5C and 5D, no drawback shall be allowed under the conditions laid down in section 39 of the Customs Act, 1969 (IV of 1969).”.

[Omitted]

11. [Shop tax.- Omitted by section 13 of অর্থ আইন, ১৯৮৯ (১৯৮৯ সনের ৩৬ নং আইন)।]

Income tax

12. (1) Subject to the provisions of sub-sections (2), (3), (4) and (5) in making any assessment for the year beginning on the first day of July, 1984, income tax shall be charged at the rates as specified in the Third Schedule.

(2) In making any assessment for the year beginning on the first day of July, 1984,-

(a) where the total income of an assessee, not being a company, includes any income chargeable under the head “Salaries” or any income chargeable under the head “Interest on securities”, the income tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of income tax payable according to the rates applicable under the operation of the Finance Ordinance, 1983 (XXVII of 1983), on his total income, the same proportion as the amount of such inclusion bears to his total income; and

(b) where the total income of a company includes any profits and gains from Life Insurance business, the income tax payable by the company shall be reduced by an amount equal to 12.5 per cent of that part of its total income which consists of such inclusion.

(3) In making any assessment for the year beginning on the first day of July, 1984, where the assessee is a co-operative society, the tax shall be payable at the rate specified in paragraph A or B (i) (d) of the Third Schedule, whichever treatment is more beneficial to the assessee:

Provided that in calculating for the purpose of this sub-section, the amount of income tax at the rates specified in paragraph A of the Third Schedule, no deduction in respect of any allowance or sums referred to in the proviso to the said paragraph shall be made.

(4) (a) In making any assessment for the year beginning on the first day of July, 1984, where the total income of an assessee other than a company not registered in Bangladesh, includes any profits and gains derived from the export of goods out of Bangladesh, income tax payable by him in respect of such profits and gains shall, subject to the provisions of clauses (b) and (c), be reduced by an amount computed in the manner specified hereunder:-

Amount.

(i) Where the goods exported abroad had not been manufactured by the assessee who exported them: 30 per cent of the income tax attributable to export sales.

(a) and where the export sales during the relevant year exceed the export sales of the preceding year; plus and additional 1 per cent for every increase of 10 per cent in export sales over those of the preceding year subject to an overall maximum of 40 per cent.

(b) and where the export sales during the relevant year do not exceed the export sales of the preceding year; minus 1 per cent for every decrease of 10 per cent in export sales from those of the preceding year subject to an overall minimum of 20 per cent.

(ii) Where the goods exported had been manufactured by the assessee who had exported them:

(a) where the export sales do not exceed 10 per cent of the total sales: Nil.

(b) where the export sales exceed 10 per cent but do not exceed 20 per cent of the total sales: 30 per cent of the income tax attributable to export sales.

(c) where the export sales exceed 20 per cent but do not exceed 30 per cent, of the total sales: 40 per cent of the Income tax attributable to export sales.

(d) where the export sales exceed 30 per cent but do not exceed 40 per cent of the total sales: 50 per cent of the income tax attributable to export sales.

(e) where the export sales exceed 40 per cent of the total sales: 60 per cent of the income tax attributable to export sales:

gency against its procurement programme in foreign exchange

(b) Nothing contained in clause (a) shall apply in respect of the following goods or classes of goods, namely:-

(i) tea;

(ii) raw jute;

(iii) Jute manufactures;

(iv) raw hides and skin and wet-blue leather;

(v) such other goods as may be notified by the National Board of Revenue from time to time.

(c) The National Board of Revenue may make rules providing for the computation of profits and the tax attributable to export sales and for such other matters as may be necessary to give effect to the provisions of this sub-section.

(5) In cases to which the Second Schedule of the Income Tax Ordinance, 1984 (XXXVI of 1984), applies the tax chargeable shall be determined as provided in that Schedule but with reference to the rates imposed by sub-section (1), and in accordance where applicable, with the provisions of sub-section (2).

(6) For the purpose of making deduction of tax under Chapter VII of the Income Tax Ordinance, 1984 (XXXVI of 1984), the rates specified in the Third Schedule shall apply as respects the year beginning on the first day of July, 1984, and ending on the thirtieth day of June, 1985.

(7) For the purposes of this section and of the rates of tax imposed thereby, the expression “total income” means total income as determined for the purpose of income tax in accordance with the provisions of the Income Tax Ordinance, 1984 (XXXVI of 1984).

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