

Supporting Information for Investments in Bangladesh - Comprehensive Guide

1. Overview of Investment Climate in Bangladesh

Economic Performance and Growth

Bangladesh has demonstrated remarkable economic resilience and growth over the past decade. Bangladesh had average annual GDP growth of 6.5 percent between 2013-2022. For FY2023-2024, GDP growth is expected to be 5.78 percent, according to the Bangladesh Bureau of Statistics. This consistent growth trajectory makes Bangladesh an attractive destination for both domestic and foreign investors.

Investment Promotion Framework

The government of Bangladesh has established a comprehensive investment promotion framework designed to attract and facilitate investments across various sectors. The framework emphasizes:

- Streamlined regulatory processes
- Investment incentives and tax benefits
- Infrastructure development support
- One-stop services for investors
- Special economic zones and industrial parks

Key Investment Authorities

Bangladesh Investment Development Authority (BIDA) BIDA was formed on 1 September 2016 through the Bangladesh Investment Development Authority Act that merged the erstwhile Board of Investment and Privatization Commission. BIDA is Bangladesh's apex investment promotion agency formed in 2016 to promote local and foreign private investment. It facilitates investment registration, provides various services to investors, and advocates for policies to support private sector development.

Bangladesh Export Processing Zones Authority (BEPZA) Manages and operates export processing zones across the country, providing specialized facilities for export-oriented industries.

Bangladesh Economic Zones Authority (BEZA) Oversees the development and management of special economic zones to attract industrial investments.

2. Investment Registration Process and Documentation

BIDA Registration Requirements Without it, investor/entrepreneur will not be able to obtain many essential licenses and permits as Import Registration Certificate, Export Registration Certificate, Bond License, etc. BIDA registration is also mandatory for obtaining industrial plot in the special economic zone.

Online Registration Process

The registration process is same for local, foreign and joint venture industry. Any applications for investment registration are to be made online through BIDA's One-Stop Service (OSS) portal (<https://bidaquickserv.org/>).

Required Documents for Investment Registration

For All Types of Investments:

- Duly filled application form
- Passport-size photographs of the applicant(s)
- Copy of national ID card or passport
- Bank certificate showing financial capability
- Detailed project profile and feasibility study
- Environmental clearance certificate (if required)
- Land ownership documents or lease agreement
- No Objection Certificate (NOC) from relevant authorities (for controlled sectors)

For Foreign Investment:

- Certificate of incorporation from country of origin
- Memorandum and Articles of Association
- Board resolution authorizing the investment
- Audited financial statements for the last 3 years
- Power of attorney (if applicable)
- Bank guarantee or performance bond

For Joint Venture Projects:

- Joint venture agreement
- Documents from all participating parties
- Shareholding structure details

• Technology transfer agreements (if applicable)**For Projects Exceeding BDT 100 Million:** Profile of the proposed investment pro

cost exceeding BDT 100.00 million) must be submitted with detailed financial projections and implementation timeline.

Registration Timeline and Fees

Processing Time:

- Standard applications: 10-15 working days
- Complex projects: 20-30 working days
- Fast-track service: 7-10 working days (additional fee applies)

Registration Fees:

- Local investment: BDT 5,000 - BDT 50,000 (based on project size)
- Foreign investment: USD 500 - USD 2,000 (based on project size)
- Joint venture: Combination of local and foreign rates

3. Priority Investment Sectors

Manufacturing and Industrial Sectors

Textiles and Garments

- Ready-made garments (RMG)
- Textile manufacturing
- Fabric production
- Accessories and packaging

Pharmaceuticals and Healthcare

- Generic drug manufacturing
- Active pharmaceutical ingredients (APIs)
- Medical devices
- Healthcare services

Information and Communication Technology (ICT)

- Software development
- IT services and outsourcing
- Digital services
- Telecommunications infrastructure

Agro-Processing and Food

- Food processing and packaging
- Agricultural machinery
- Fisheries and aquaculture
- Dairy and livestock

Service Sectors

Financial Services

- Banking and insurance
- Capital market services
- Microfinance institutions
- Fintech solutions

Transportation and Logistics

- Port and shipping services
- Inland transportation
- Logistics and warehousing
- Aviation services

Tourism and Hospitality

- Hotel and resort development
- Tourism infrastructure
- Cultural and eco-tourism
- Conference and convention facilities

Emerging Sectors

Renewable Energy

- Solar power projects
- Wind energy
- Biomass and biogas
- Hydroelectric power

Infrastructure Development

- Roads and highways
- Bridge construction
- Urban development
- Smart city projects

4. Investment Incentives and Benefits

Tax Incentives

Income Tax Holidays For all Economic Zones Income Tax Holiday (ITH) - 1st and 2nd year 100%, 3rd year 80%, 4th 70%, 5th 60%, 6th 50%, 7th 40%, 8th 30%, 9th 20% and 10th year 10%.

Special Sector Benefits Coal-fired IPPs starting production before June 30, 2023, have a tax exemption rate of 100 percent for the first 15 years of operations. The Bangladesh government can also waive import duties on capital machinery and spare parts for power projects.

Customs and Duty Benefits

Import Duty Exemptions Duty free import of raw materials, construction materials, capital machineries, finished goods is available for investments in economic zones.

VAT and Supplementary Duty Benefits Developers and investors in EZs are now exempt from value-added tax and import duties on the items directly linked with the development and construction of the EZs.

Export Processing Zone (EPZ) Benefits

Tax Holidays Government provides numerous incentives for investors for opening factories in EPZs. For example, new factories enjoy tax holidays for 5 years.

Additional EPZ Benefits EPZs offer benefits such as free trade conditions, one-stop documentation and registration facilities, and long-term tax holidays.

Hi-Tech Park Incentives

Developer Benefits Bangladesh Hi-Tech Park Authority (BHTPA) is providing the following fiscal and non-fiscal incentives to the developers and investors of the Hi-Tech Parks: 12 years exemption of Income Tax for park developers.

Investor Benefits Exemption of Import Duty, Regularity Duty and Supplementary Duty for local production is available for Hi-Tech Park investors.

5. Special Economic Zones and Industrial Parks

Types of Special ZonesExport Processing Zones (EPZ)

- Export-oriented manufacturing
- 100% foreign ownership allowed
- Duty-free import of raw materials
- Tax holidays and incentives

Economic Zones (EZ)

- Mixed development zones
- Both domestic and export markets
- Comprehensive infrastructure
- Various industry clusters

Hi-Tech Parks

- Technology and innovation focused
- Research and development facilities
- Software and IT services
- Knowledge-based industries

Zone Development Incentives

For Zone Developers BEZA would provide multiple incentives, to the developers of the Economic Zones as well as to the manufacturing unit investors. Benefits to the zone developer range from income tax expatriation to reduction of capital expenditure.

For Unit Investors Incentives for unit investors range from the exemption of taxes, and custom/excise duties to non-fiscal incentives such as no FDI ceiling, issuance of work permits and recommendation for residency/citizenship.

Location and Infrastructure

Strategic Locations

- Proximity to major ports and airports
- Access to transportation networks
- Availability of utilities and services
- Skilled workforce availability

Infrastructure Facilities• Modern industrial plots

- Utilities (electricity, water, gas)
- Telecommunications infrastructure
- Waste management systems
- Common facilities and services

6. Foreign Investment Regulations

Foreign Direct Investment (FDI) Policy

Ownership Limits 100% of foreign investment and ownership is allowed for most business sectors in Bangladesh.

Restricted Sectors

- Defense and security-related industries
- Public utilities (with some exceptions)
- Banking and financial services (subject to central bank approval)
- Real estate development (certain restrictions apply)

Foreign Exchange Regulations

Repatriation of Profits

- Full repatriation of profits allowed
- No restrictions on dividend payments
- Capital gains repatriation permitted

Currency Regulations

- Foreign exchange transactions through authorized dealers
- Central bank approval for large transactions
- Compliance with Bangladesh Bank regulations

Investment Protection

Bilateral Investment Treaties (BIT)

- Protection against expropriation
- Fair and equitable treatment
- Dispute resolution mechanisms
- Most-favored-nation treatment
- Multilateral Agreements
- World Trade Organization (WTO) membership
- South Asian Free Trade Area (SAFTA)
- Regional trade agreements

7. Supporting Services and Infrastructure

One-Stop Service (OSS) Portal

Digital Platform BIDA hosts the country's first inter-operable online One Stop Service (OSS) Portal. BIDA established this platform by driving the digitization and integration of the investor services of various ministries, departments and agencies in Bangladesh.

Available Services

- Investment registration
- License applications
- Permit processing
- Status tracking
- Document submission

Professional Services

Legal Services

- Corporate law firms
- Investment advisory services
- Compliance assistance
- Dispute resolution

Financial Services

- Banking and finance
- Accounting and auditing
- Tax advisory
- Insurance services

Technical Services

- Engineering consultancy
- Environmental impact assessment
- Project management
- Quality assurance

Infrastructure Support

Transportation

- Road networks and highways
- Railway connections
- Port facilities

- Airport connectivity

Utilities

- Electricity supply
- Water and sanitation
- Gas distribution
- Telecommunications

Industrial Infrastructure

- Industrial parks and estates
- Common effluent treatment plants
- Warehousing facilities
- Testing laboratories

8. Investment Aftercare and Support

BIDA Aftercare Services

Aftercare Services: Offers ongoing support to ensure the smooth operation of investments.

Services Include:

- Problem resolution assistance
- Regulatory compliance support
- Expansion and diversification guidance
- Networking and business matching
- Market intelligence and research

Investor Support Programs

Capacity Building

- Training programs for local workforce
- Technology transfer facilitation
- Skills development initiatives
- Management training

Market Access Support

- Export promotion assistance
- Trade fair participation
- Market research and analysis
- Buyer-seller meetings

Government Liaison

Inter-Ministry Coordination

- Facilitation of approvals
- Resolution of regulatory issues
- Policy advocacy
- Stakeholder engagement

Local Government Support

- Land acquisition assistance
- Utility connections
- Local permit processing
- Community relations

9. Useful Resources and Contact Information

Primary Investment Authorities

Bangladesh Investment Development Authority (BIDA) • Website: <https://www.bida.gov.bd/>

• One-Stop Service Portal: <https://bidaquickserv.org/>

• Email: service@bida.gov.bd

• Phone: +880-2-716-9580

• Support from home will be ensure Sunday to Thursday: 9:00am-5:00pm Friday & Saturday:

Closed

Bangladesh Export Processing Zones Authority (BEPZA)

- Website: <https://www.bepza.gov.bd/>
- Services: EPZ development and management
- Focus: Export-oriented industries

Bangladesh Economic Zones Authority (BEZA)

- Website: <https://beza.gov.bd/>
- Services: Special economic zone development
- Focus: Industrial and mixed-use zones

Online Portals and Systems

BIDA eService Portal BIDA eService portal for investor - Available at <http://eservice.boi.gov.bd/>
Bangladesh Trade Portal Bangladesh Trade Portal (BTP) is an official source of all regulatory information relevant to traders who wish to import goods into Bangladesh or export to other countries.

Professional Service Providers

Legal and Consulting Firms

- Local law firms specializing in investment law
- International consulting firms
- Chartered accountancy firms
- Business advisory services

Financial Institutions

- Commercial banks
 - Development financial institutions
 - Non-bank financial institutions
 - Insurance companies
- #### Government Ministries and Departments

Ministry of Industries

- Industrial policy formulation
- Sector-specific regulations
- Industrial development programs

Ministry of Commerce

- Trade policy and regulations
- Export promotion
- Import facilitation

National Board of Revenue (NBR)

- Tax administration
- Customs procedures
- Revenue collection

International Organizations

World Bank Group

- International Finance Corporation (IFC)
- Investment climate programs
- Project financing

Asian Development Bank (ADB)

- Infrastructure development
- Private sector development
- Technical assistance

International Monetary Fund (IMF)

- Economic policy advice
- Financial sector development
- Capacity building

Chambers of Commerce and Industry

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) • Business advocacy

- Trade promotion
- Networking opportunities

Dhaka Chamber of Commerce and Industry (DCCI)

- Local business support
- Investment promotion
- Policy advocacy

Foreign Chambers of Commerce

- American Chamber of Commerce
- European Chamber of Commerce
- Japan-Bangladesh Chamber of Commerce

Additional Resources

Investment Guides and Publications

- BIDA investment guides
- Sector-specific investment reports
- Market research studies
- Policy documents and regulations

Training and Capacity Building

- Investment promotion training programs
- Sector-specific workshops
- Business development seminars
- Networking events

Online Resources

- Investment project databases
- Market intelligence platforms
- Regulatory update services
- Business matching platforms

Important Notes

Due Diligence Requirements• Verify all information with official sources

- Consult with professional advisors
- Ensure compliance with current regulations
- Monitor policy changes and updates

Best Practices

- Early engagement with BIDA and relevant authorities
- Comprehensive project planning and documentation
- Professional legal and financial advice
- Continuous monitoring of regulatory changes

Success Factors

- Thorough market research and feasibility studies
- Strong local partnerships and networks
- Compliance with all regulatory requirements
- Effective project management and implementation

This documentation is based on information available as of July 2025. Investment regulations and procedures may change, and investors should verify current requirements with BIDA and other relevant authorities before proceeding with investment decisions.