



Finance Bill-2024



Prepared & Presented
by **KMS & ASSOCIATES**



Induction

Stay informed with our concise introduction to the Finance Bill 2024 and subsequent Statutory Regulatory Orders (SROs). This handout, prepared based on publicly available information from the National Board of Revenue (NBR) website, provides a comprehensive overview of the notable changes brought about by these legislative updates.

Please note that the information presented here is of a general nature and may not address specific circumstances. While we strive to provide timely information, we cannot guarantee its accuracy at the time of receipt or its future accuracy. It is crucial to seek appropriate professional advice and thoroughly examine your unique situation before taking any action based on the information provided.

Explore the key features and implications of the Finance Act 2023 and the subsequent SROs to enhance your understanding of their impact. Stay ahead and make informed decisions by delving into this concise and informative resource.





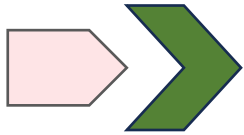
ITEMS OF DISCUSSION

01.

PERSONAL TAX & CORPORATE TAX

02.

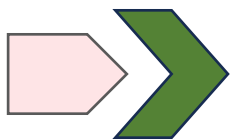
VALUE ADDED TAX (VAT)



Personal Income Tax

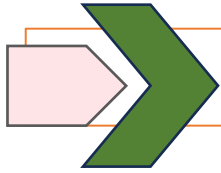
Rates of Income Tax

Existing	Rate	Proposed	Rate
First Taka 350,000	Nil	First Tk. 350,000 or as applicable	Nil
Next Taka 100,000	5%	Next Tk. 100,000	5%
Next Taka 300,000	10%	Next Tk. 400,000	10%
Next Taka 400,000	15%	Next Tk. 500,000	15%
Next Taka 500,000	20%	Next Tk. 500,000	20%
Balance amount	25%	Next Tk. 2,000,000	25%
		On the balance	30%



Initial exemption limit for individual taxpayers

Taxpayer	Present (2023-2024)	Proposed (2024-2025)
General taxpayer	Taka 350,000	Taka 350,000
Women and senior citizens aged 65 years or above	Taka 400,000	Taka 400,000
Third gender	Taka 475,000	Taka 475,000
Physically challenged persons	Taka 475,000	Taka 475,000
Gazetted war-wounded freedom fighters	Taka 500,000	Taka 500,000

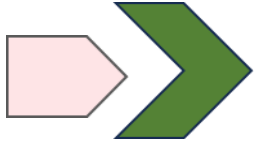


Personal Tax (Cont.)

- ☐ Exemption limit is **BDT 5 million** for Capital Gain (income) from transfer of listed companies shares by natural person. (6th schedule)
- ☐ Gifted assets from spouse, parents or children are exempted from income if the same are shown in the return of both giver and receiver. (6th schedule)
- ☐ Individual having assets more than Tk. 50 lacs (previously Tk. 40 lacs) will now be required to furnish “Statement of Assets and Liabilities” at the time of tax return filing.

Corporate Tax





Rates of Corporate Tax

Description	Existing	Proposed	Applicable tax rate if fails to meet the condition
Non-publicly traded company	27.5%	25%	27.5%
One Person Company (OPC)	22.5%	20%	22.5%
Publicly traded mobile operator company	40%	45%	Condition not applicable
Co-operative societies registered under Co-operative Societies Act, 2001	15%	20%	Condition not applicable

****Condition: All receipts and income must be transacted through bank transfer and every single transaction above Tk. 5 lacs and annual investment over Tk. 36 lacs of expense and investment must be made through bank transfer.***



Corporate Tax Issues

- # Deduction of tax from payment by cellular mobile phone operator to regulatory authority has been increased to 20% from existing 10%.
- # Tax deduction rate related to income remitted from abroad in connection with any service, revenue sharing, etc. has been reduced by 2.5% (from existing 10% to 7.5%).
- # Time limit of monthly withholding tax return has been changed to 25th day from existing 15th day of the next month. Also, the time extension opportunity in this regard has been withdrawn.
- # All returns must now be submitted under universal self assessment (Section 180). Returns can no longer be submitted under normal assessment.

Tax Exemption on ITES

Timeline for availing exemption from ITES businesses has been extended till **30 June 2027** and the list of eligible businesses has been updated as follows:

Exclusion from existing list:

- ☐ IT process outsourcing
- Website hosting
- ☐ Graphic information service
- ☐ Overseas medical transcription
- ☐ Searchengine optimization service
- Cloud service
- ☐ System integration
- ☐ Nationwide telecommunication transmission network

Addition to existing list:

- ☐ AI based solution development
- ☐ Blockchain based solution development
- Software as a service
- ☐ Geographic information system

Rates of Withholding Tax

Section	Particulars	Existing Rate	Proposed Rate
89 (Rule 3)	Supply of any other goods	Slab wise 3% to 7%	5%
124	<p>Payments received/revenue shared for services provided to foreign person by a resident or allowing the use of any online platform for advertisement or any other purposes. This excludes: ITES Services Income derived from ocean going ship for the period 1st of July 2022 to 30th June 2030 Remittance towards Bangladeshi resident for providing services to abroad</p>	10%	7.5%

VAT & SD

V A T

VAT & Supplementary Duty

- ☐ Any entity (regardless of the legal form) having turnover more than Tk. 10 crores will now be considered as Withholding Entity.
- ☐ The deposit amount of claim by VAT authority, for appeal at Commissioner and Tribunal stage, has been proposed to be reduced to 10% from 20%.



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