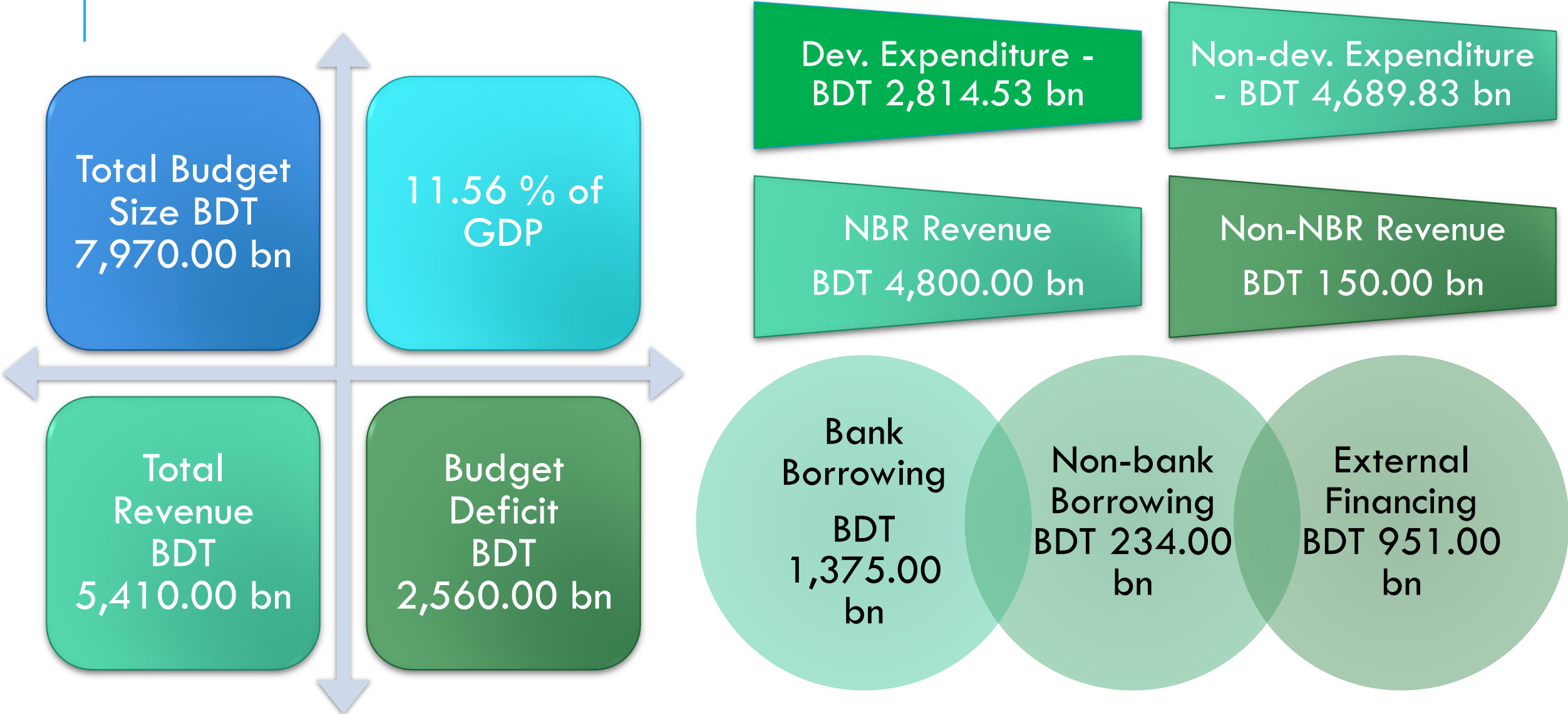


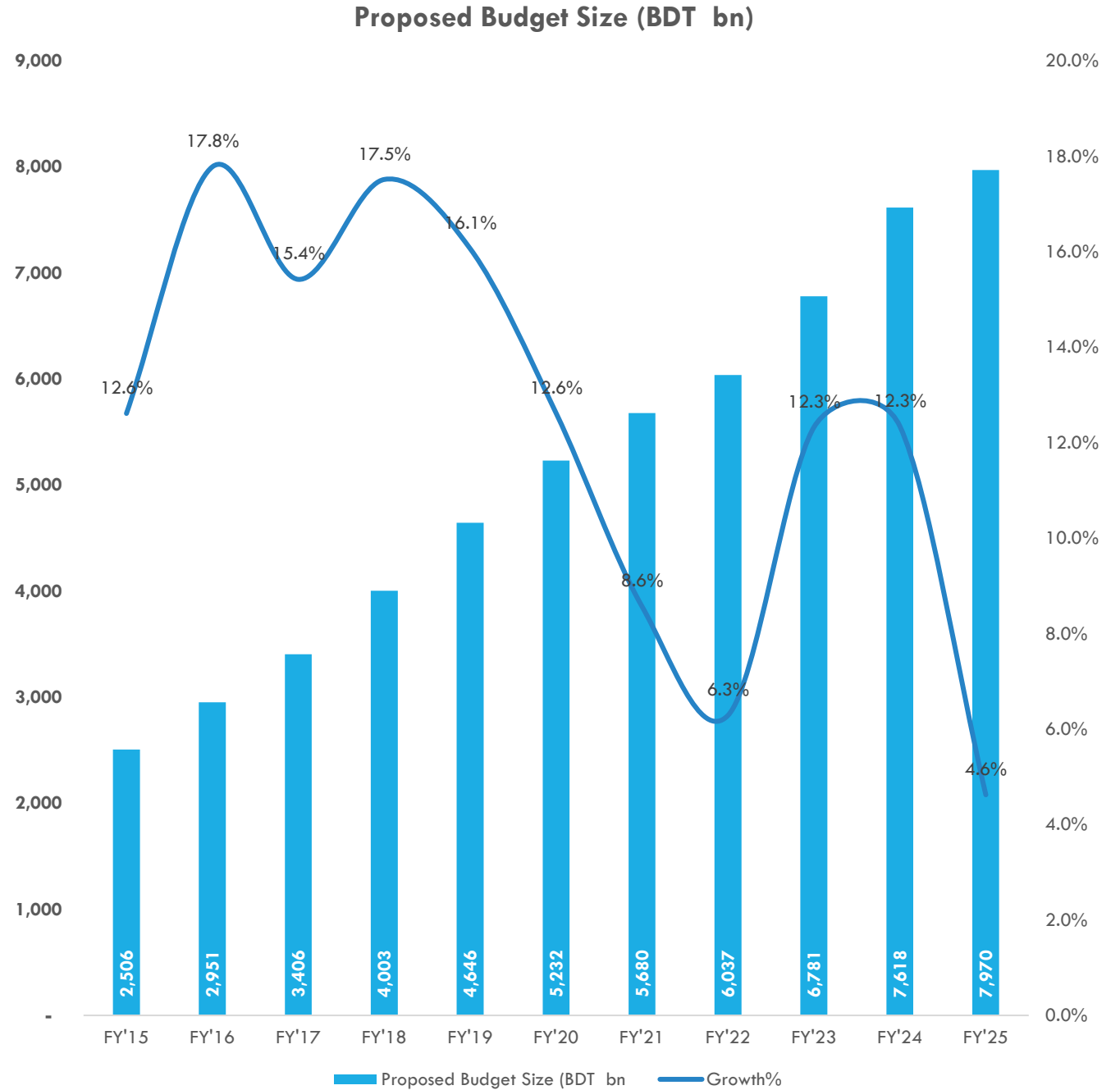
NATIONAL BUDGET REVIEW FY2024-25



BUDGET SNAPSHOT



PREVIOUS YEARS BUDGET SIZE & GROWTH

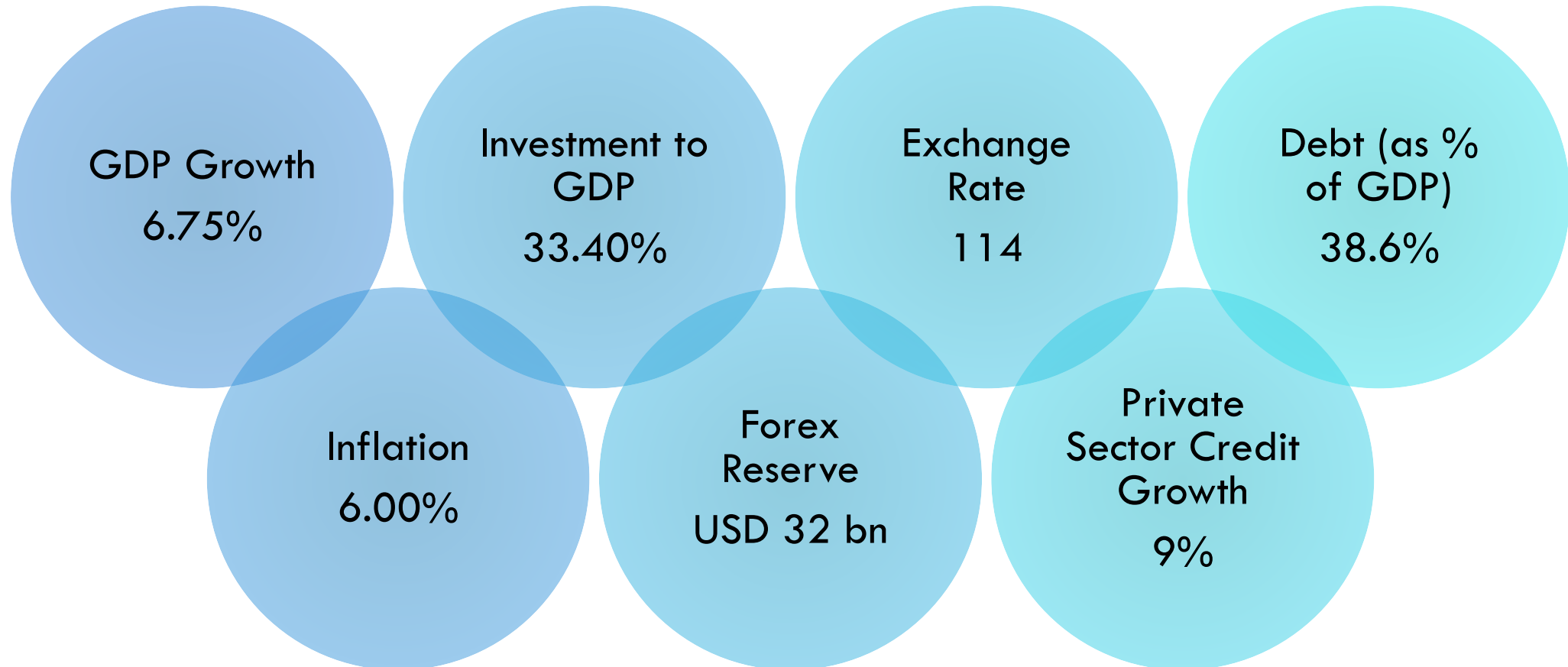


BUDGET STRUCTURE

(BDT bn)

Particulars	FY'25	Revised FY'24	FY'24
Budget Size	7,970.0	7,144.2	7,618.0
Revenue Earnings	5410.0	5000.0	3,392.8
NBR tax revenue	4800.0	4300.0	4,100.0
Non-NBR tax revenue	150.0	200.0	190.0
Non-tax revenue	460.0	500.0	490.0
Public Expenditure	7970.0	7617.9	4,645.7
Non-Dev. Expenditure	4689.8	4362.5	4,340.6
Dev. Expenditure	2814.5	2775.8	2,600.1
In which, ADP	2650.0	2630.0	2,450.0
Other Expenditure	465.6	479.6	203.5
Budget Deficit	2560.0	1259.3	1,252.9
Financing Sources			
Domestic Sources	1609.0	1554.0	1,566.3
Bank Borrowing	1375.0	1324.0	1,559.4
Non-Bank Borrowing	234.0	230.0	292.0
External Sources	951.0	1063.9	797.9

MACROECONOMIC TARGETS



INDIVIDUAL TAXATION

Total Income	Tax Rate
Till BDT 350,000	0%
Next BDT 100,000	5%
Next BDT 400,000	10%
Next BDT 500,000	15%
Next BDT 500,000	20%
Next BDT 20,00,000	25%
The rest amount	30%

Any individual have E-tin have to pay a minimum tax of BDT 5,000 in Dhaka and Chottogram City corporatand BDT 4,000 in other city corporation.

Wealth surcharge: Tax-free ceiling rises to BDT 4.0 cr from BDT 3.0cr

General
Tax Payer
BDT
350,000

Women,
Senior
Citizen
(≥65
years)
BDT
400,000

Physically
Challenged
and Third
Gender
BDT
475,000

War-
wounded
Freedom
Fighters
(Gazetted)
BDT
500,000

CORPORATE TAXATION

Description	Existing 2023-24		Proposed 2024-25 and 2025-26	
	Tax Rate	On failure to comply with conditions	Tax Rate	On failure to comply with conditions
Publicly traded company that transfer shares worth more than 10 percent of its paid up capital through Initial Public Offering (IPO)	20%	22.5%	22.5%	20%
Publicly traded company that transfer shares worth ten percent or less than ten percent of its paid up capital through IPO	22.5%	25%	25%	22.5%
Defined in Income Tax Act, 2023 as a company but Non-publicly traded company	27.5%	30%	27.5%	25%
One Person Company (OPC)	22.5%	25%	22.5%	20%
Publicly traded bank, insurance and financial institution (except merchant bank)	37.5%	Condition not applicable	37.5%	Rebate not applicable
Non-publicly traded bank, insurance and financial institution	40%	Condition not applicable	40%	Rebate not applicable
Merchant bank	37.5%	Condition not applicable	37.5%	Rebate not applicable
Company producing all sorts of tobacco items including cigarette, bidi, chewing tobacco and gul	45% (+) 2.5% Surcha rge	Condition not applicable	45% (+) 2.5% Surcha rge	Rebate not applicable
If a publicly traded mobile phone operator company holds	40%	Condition not	40%	Rebate not applicable

Description	Existing 2023-24		Proposed 2024-25 and 2025-26	
	Tax Rate	On failure to comply with conditions	Tax Rate	On failure to comply with conditions
at least 10% of its paid-up capital, out of which Pre-Initial Public Offering Placement cannot exceed 5%.		applicable		
Non-publicly traded mobile operator Company	45%	Condition not applicable	45%	Rebate not applicable
Cooperative Society	15%	Condition not applicable	20%	Rebate not applicable
*Condition: All types of income and receipts and all types of expenses and investments above 5 lakh Taka in each single transaction and above 36 lakh Taka in total annually must be done through bank transfer.				

CAPITAL MARKET IMPLICATION

- Capital gain exceeding BDT 50 lakh received by an individual taxpayer from the transfer of shares or units of a listed company or fund would be subject to taxation. The applicable tax rate will be up to 15%.
- The tax gap between listed and non-listed firms has been narrowed to 5% from 7.5%. The corporate tax for non-listed companies has been reduced to 25% from 27.5% with a condition of yearly transaction of BDT 36 lakh and the tax rate for listed companies with more than 10% of its paid-up capital will be 20% subject to the condition of transaction of BDT 36 lakh yearly.
- The increased source tax for sponsors and directors increased to 10% from 5%, will discourage top fundamental non-listed companies from listing on the capital market.
- The budget also returned the opportunity to legalise undisclosed money at a 15% tax rate, invested in the capital market.
- Tax rebate remains unchanged at 15% like FY24 on eligible investment amount. As the tax rate for income above BDT 20 lakh has been enhanced, high net-worth individuals could be interested to invest in capital market to enjoy tax rebate to mitigate the increased tax burden.

SECTOR IMPLICATIONS

PHARMACEUTICALS & CHEMICALS

Waived import duty on raw materials for certain medicines

Exempted value-added tax (VAT) on raw materials for cancer medicines

Exempted customs duty (CD), and VAT on medical products and healthcare items

CD has also been waived on 16 additional raw materials necessary for active pharmaceutical ingredient (API) manufacturing

CD, VAT, and advance tax on dengue testing kits have been withdrawn.

CD on the imports of dialysis filters and circuits has been reduced from 10% to 1%.

POSITIVE

**ACMELAB, ACI, ACI
FORMULA, ACTIVEFINE,
RENATA,
SQURPHARMA,
BXPHERMA,
JHRML, JMISMDL,
ORIONINFU**

IT

Information technology enabled service sectors (ITES) entrepreneurs got another three years' tax exemptions, provided that all their transactions take place through the banking channel. Currently, there are 27 IT-enabled services enjoying tax exemption. the number of services will be reduced to 19, while another four sectors are being added — artificial intelligence or AI-based solution development, blockchain-based solution development, software as a service and data science with digital data analytics.

VAT has been exempted for local purchases of raw materials and spare parts used in the production of computers and computer-related accessories, and 15% VAT has been waived on importing laptops.

POSITIVE

**GENEXIL, AGNISYS,
ITC, BSCCL,
AAMRANET,
BDCOM, DAFFODIL**

TEXTILE

The **customs duty on purified terephthalic acid (PTA) and mono-ethylene glycol (MEG) was reduced by 1%**

The **customs duty on textile-related machinery, spare parts, and raw materials has been withdrawn.**

POSITIVE

**All the relevant
Textile Co.**

SERVICE & REAL ESTATE

The budget also returned the opportunity to legalise undisclosed money at a 15% tax rate

POSITIVE

EHL

CONSUMER ELECTRONICS

15% VAT has been imposed on local manufacturing of energy-saving bulbs instead of 5%

10% import duty on raw materials imports of LED lamps and energy-saving lamps is imposed

15% VAT is imposed instead of 5% at the manufacturing stage on tube lights

7.5% VAT is imposed on air conditioners, a 7.50% VAT is imposed instead of 5% at local manufacturing of refrigerators and freezers

NEGATIVE

Walton, Singer
Bangladesh,
and BD Lamps

FUEL & POWER

Customs duty to has been set 5% from 0%, set-up and erection of a new power plant might.

The import duty for materials used for establishing or operating CNG/LPG stations has been increased to 5% from 0%

The Govt. extends its concessional facility on containers for compressed or liquefied gas of iron or steel at the local manufacturing stage.

POSITIVE

Power Generation Companies, MJLBD

NEGATIVE

MJLBD, EPGL, INTRACO

POSITIVE

BSRMLTD, BSRMSTEEL, GPHISPAT

NEGATIVE

DOMINAGE, BBS

STEEL

A reduction in import duty for manganese, a raw material used in rod/steel production.

Import duty increased from 5% to 10% for components used in the construction of prefabricated buildings

TOBACCO

Of all four segments of cigarettes, supplementary duty (SD) for the lower segment has been increased by 200 basis points, and for the other three segments, SD increased by 50 basis points

VAT increased to 15% from 7.5% at the local manufacturing stage on cigarette paper and bidi papers.

The Govt. proposed to increase the minimum MRP of 10-stick cigarettes: BDT 160.0 for the premium segment, BDT 120.0 for the high segment, BDT 70.0 for the medium segment, and BDT 50.0 for the low segment.



TELECOMMUNICATION

SD on SIM, RUIIM card enable mobile telecom service increased to 20% from 15%, and VAT on SIM, e-SIM, to Tk300 from Tk200.

Mobile phone operator company must deduct a 20% (10% in FY24) tax from any income distribution, including but not limited to royalties, technical services, license fees

NEGATIVE

GP & ROBI

PAPER AND PRINTING

Extended period for VAT and SD exemption on import of certain raw materials used in the production of sanitary napkins and diapers.

POSITIVE

BPML, ACI

FOOD & ALLIED

A 5% import duty with a 10% regulatory duty is imposed on the import of shelled cashew nuts.

SD on carbonated beverages to be set at 30%, previously 25%. In addition, 40% SD will be charged on beverages containing ingredients differing from that of carbonated beverages, instead of the existing 35%.

SD has been increased in all kinds of ice cream from 5% to 10%.

15% VAT, previously 5%, to be imposed at the manufacturing stage for the local mango bar, mango juice, pineapple juice, guava juice and tamarind juice producers.

Turnover tax on income from sweetened beverage production will be set at 3% instead of the existing rate of 0.6%

Aseptic packaging products will have a uniform TTI of 37% for both roll form and open rectangular-shaped cartons.

POSITIVE

RAHIMAFOOD

NEGATIVE

**LOVELLO,
AMCL(PRAN),
BDTHAIFOOD,FIN
EFOODS**



THANKS