

Tax News Flash

- Income tax

4 March 2024

Reduced income tax benefits on export of goods

An SRO has been issued allowing/ withdrawing some benefits in respect of '**export of goods**' only.

Taxpayers having TIN and complying with the provisions of ITA 2023, taxpayers would enjoy following exemptions benefits:



Individuals

50% of income exempted



Others

Applicable tax rate is 12%



LEED

Applicable tax rate is 10%

- If penalised for environmental rule violation - regular corporate income tax rate would apply.
- Exporters of goods, enjoying 50% exemption /12%/10% tax rate – cannot utilise above benefits as a basis for availing lesser withholding tax certificate.
- Exporters of goods, enjoying reduced tax rate below 12% – a separate mechanism has been prescribed in this SRO. NBR subsequently clarified it through a separate notification.

A proportionate corporate tax rate would be applied for exporters of goods, enjoying tax rate below 12% by virtue of any order or any provision of ITA 2023.

This SRO would be effective up to 30 June 2028.

KPMG comment:

- Only 'export of goods' has been included.
- A proportionate basis has been introduced for determination of applicable tax rate and reduced withholding tax rate certificate.

This newsletter is a periodic publication of KPMG Bangladesh. If you need more detailed explanation, please feel free to contact us.

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