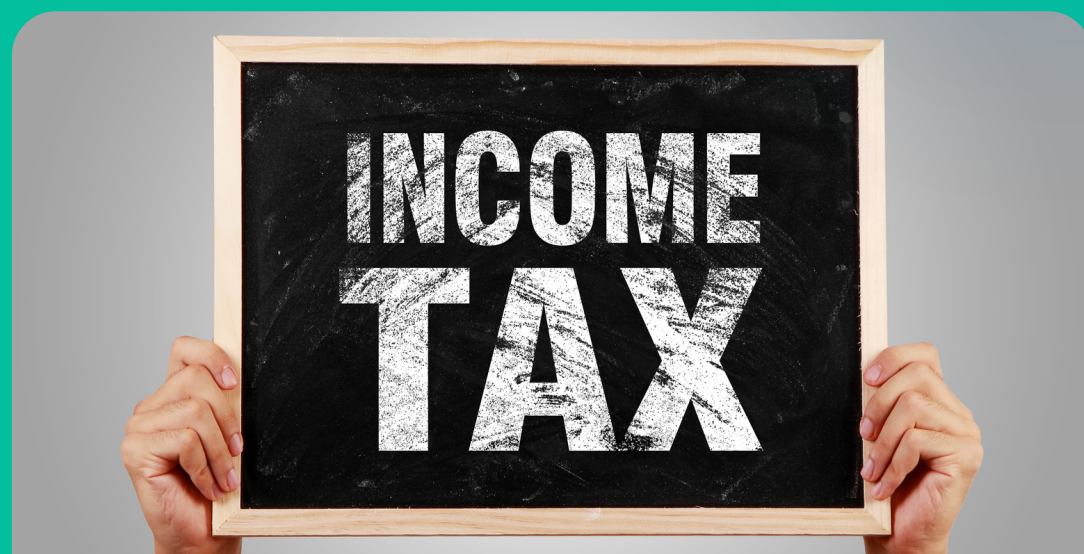


Webinar on Income Tax Act 2023 & Digital Taxation System

Organized by

Ain
Sheba



⋮ *Keynote Speaker*

Osman Gani Tuhin

Advocate, Supreme Court of Bangladesh

Founder, Tuhin & Partners

Local Partner, emltd Ltd (UAE)

- Chartered Secretary (Continue), Institute of Chartered Secretary of Bangladesh (ICSB).
- PGD in Tax Management, United International University.
- LL.B. (Hon's) & LL.M. Southeast University.



TNP.LEGAL

New Income Tax Act 2023

The government has introduced the New Income Tax Act, 2023, by Repealing the Income Tax Ordinance, 1984.

Key Features:

- Written in Bangla Language
- Simplification
- Standardization with International Best Practice
- Ease of Doing Business
- Reduction of Discretionary Power



Corporate Tax Rate

A publicly traded company that transfers shares worth more than 10 percent of its paid-up capital through Initial Public Offering (IPO)

20%

Unchanged

A publicly traded company that transfers shares worth ten percent or less than ten percent of its paid-up capital through an IPO

22.5%

Unchange

Non-publicly traded company

27.5%

Unchanged

Corporate Tax Rate (Cont.)

One Person Company (OPC)

22.5%

Unchanged

Association of persons, trust and fund

27.5%

Unchange

Artificial juridical person and other taxable
entity

27.5%

Unchanged

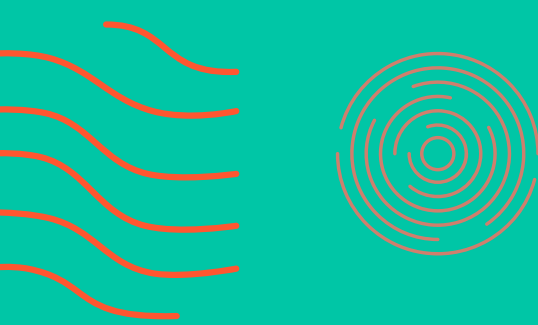
Corporate Tax

Condition

All receipts and income must be transacted through bank transfer, and every transaction above Tk. 5 lakhs and annual investment over Tk. Thirty-six lakhs of expense and investment must be made through bank transfer.

Impact

Cash Transactions Needed to be rationalized for companies. Whereas India took 8 years to make Cashless Transactions from 4.4% to 76.1%, enforcing cashless transactions within a year is completely impractical.



Widened expense limit

Particulars	ITO 1984	ITA 2023
Royalty, License Fee, technical Service fees, technical Know how fees, fees for using Intangible asset	10% of net profit for 1st 3 Years	10% from the 1st years to the foreseeable future
	8% of net profit in subsequent years	
Foreign Travel Expense	0.5% of turnover	0.5% of turnover Or more if the expenses are commercially viable

Impact:

- Simplification of cap
- Leverage on foreign travel expense

Corporate Tax Rate Exemption

Subject to compliance with a few conditions, companies engaged in the textile business

15%

Individual, firm and Hindu Undivided Family

50% exempted

Reduced tax on income from export

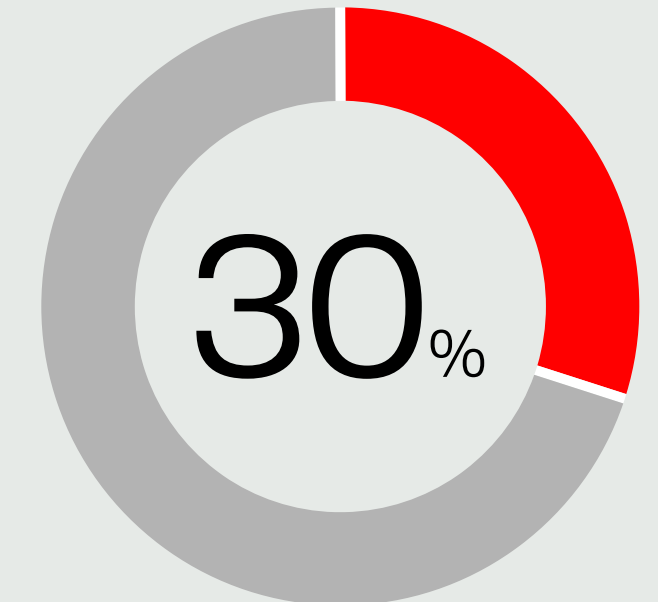
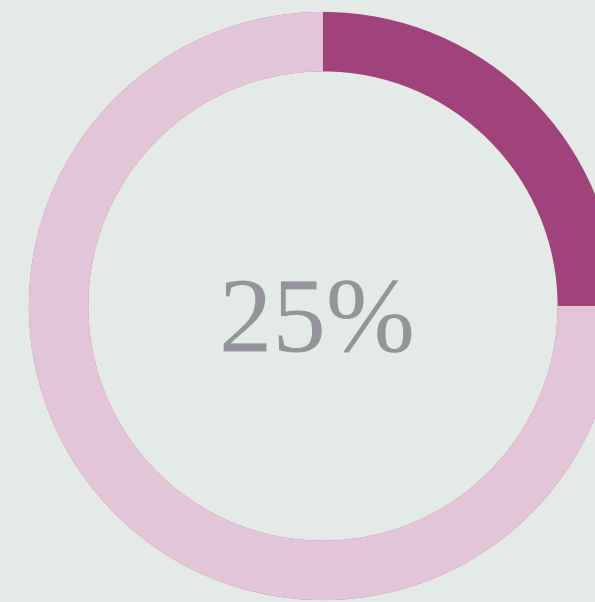
Other Taxpayers

12%

Other Taxpayers with LEED Certified Factory

10%

Reduced Rate Withdrawn from Statutory Authority



These autonomous bodies will have to pay corporate tax at the regular rate from now on.



Environment Surcharge

Details of Motor Car	Rate of Carbon Tax
up to 1500cc /75kW	25,000
1501cc / 76kW to 2000cc / 100kW	50,000
2001cc / 101kW to 2500cc / 125kW	75,000
2501cc / 126kW to 3000cc / 150kW	150,000
3001cc / 151kW to 3500cc / 175kW	200,000
More than 3500cc / 175kW	350,000

Impact:

- Great initiative by the Govt.
- Assessee will be discouraged from purchasing additional car
- Effective tax rate of corporations will be higher

Note: Motor Cars excluding buses, mini busses, coasters, prime movers, trucks, lorries, tank lorries, pickup vans, human haulers, auto rickshaws and motorcycles.

New TDS rate on certain goods

Particulars	Previous	Current
Payment to supplier of Tobacco Leaves in any form, Tobacco Products including Cigarettes, Biri, Jorda, Gul	3% to 7%	10%
Payment to supplier of Extra High Voltage Power Cable 33KV to 500KV by local manufacturers having own Vertical Continuous Vulcanization line	3% to 7%	3%
Gold dores imported by Industrial IRC holder VAT compliant gold refinery	5%	0%

Impact:

- Increased Tax Burden of Tobacco Leaf Farmers
- Contradicts the tax exemption of Farmers having mainly agricultural Income

Tax on Transfer of Property

Previous	Current
1%	2%
2%	4%
3%	6%
4%	8%

Impact:

- Property transactions will be reduced
- Real estate companies will be affected

Withdrawal of WHT Statement

Impact:

The cost of doing business will decrease to prepare WHT return from 29 to 12 in a year.

Previous		Current	
Statement of Tax deducted & Collected u/r 18	Monthly	Statement of WHT tax u/s 75A (Monthly)	Monthly
Statement of Dividend Payment u/s 110	Yearly		
Statement of Interest Payment u/s 109	Yearly		
Statement of TDS from Salary u/s 108	Yearly		
Statement of Salary Tax deducted u/r 21	Monthly		
Statement of WHT tax u/s 75A	Half Yearly		

Personal Tax-free Income

Person

Previous

Current

Person including individual, Hindu
Undivided Family

300,000

350,000

Female & assessee aged more than 65 years

350,000

400,000

Personal Tax-free Income (Cont.)

Third Gender

350,000

475,000

Disabled Person

450,000

475,000

Gazetted wounded Freedom Fighter

475,000

500,000

Withdrawal of Rule for Salary Tax Calculation



Conveyance Allowance



Entertainment Allowance



Medical Allowance



Rent-Free Accommodation



House Rent Allowance



Prerequisite Allowance

THE NEWLY ENACTED
INCOME TAX ACT 2023 HAS
INCORPORATED ALL
ALLOWANCES UP TO BDT
450,000 OR 1/3RD OF INCOME
FROM GROSS SALARY,
WHICHEVER IS LOWER.

SURCHARGE

0% was previously up to 3 crores. Now, it's up to 4 crores.



Impact

Only the person having a net wealth of up to 4 Crore got the benefit.

No impact for those who have a net wealth of more than 4 Crore.

Type of Travel

Previous

Current

Travel by AIR to North America, South America, Europe, Africa, Australia, New Zealand, China, Japan, Hong Kong, North Korea, Vietnam, Laos, Cambodia & Taiwan.

Travel by AIR to SARRC countries	1,200	2,000
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Travel by AIR to any other country	3,000	4,000
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Travel by AIR within Bangladesh	0000	200
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Travel by Road to any country	500	1,000
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Travel by Waterways to any country	800	1,000
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Travel Tax

The exemption has been removed from the payment of travel tax to the residents of enclaves who are permanently visiting India.

Tax Return Preparer (TRP)



SRO 207-law/income tax-02/2023



responsible for electronic return



eligible to receive incentives



return preparation and submission



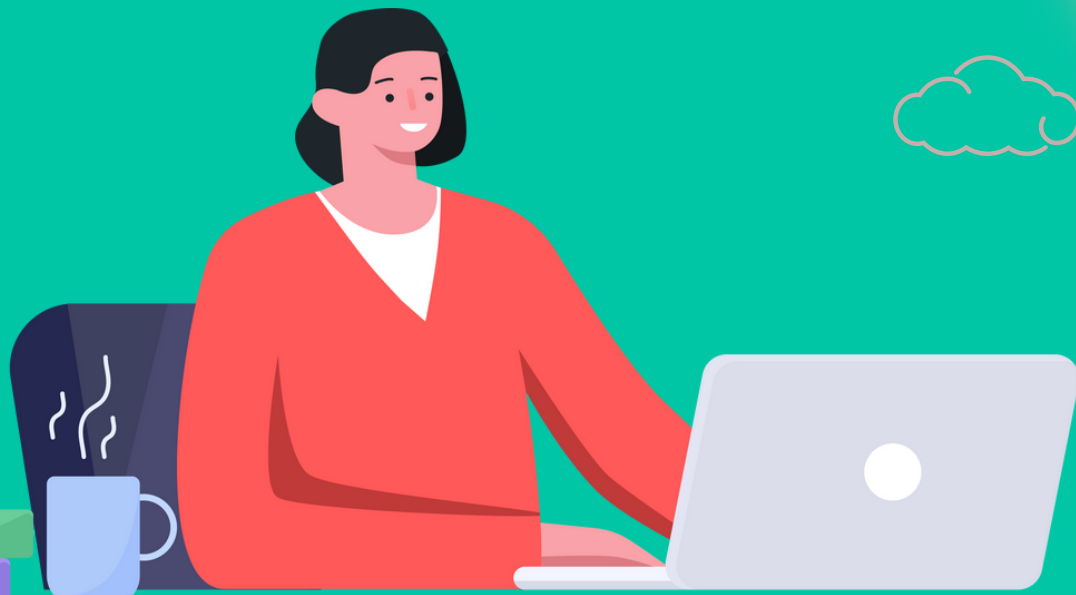
up to the 5th return



10% of return preparers' incentives

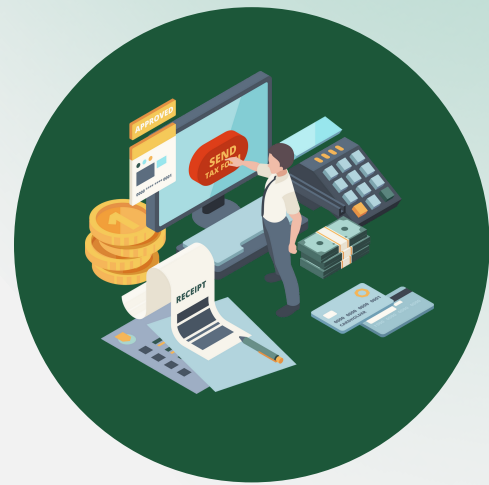


Associated entities



DIGITAL TAXATION SYSTEM

Impact



Fully electronic tax system



Transparency will be increased

1. E-TIN



2. Return Filing



3. Assessment



4. Appeal

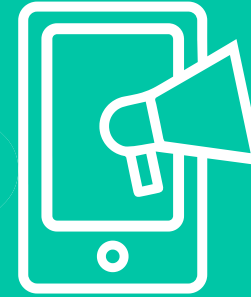


5. Tribunal



New Inclusion

01



Online Return and Documents Submission

Communication of Order, Acknowledgement Receipt, Demand Letter, Certificate Through online



02

03



Virtual Attendance or hearing before incometax authority or Appellate Tribunal

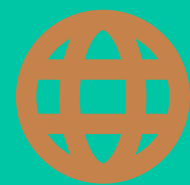
Disclaimer

This presentation may only encompass some essential topics or address only some aspects related to those topics. Its purpose is not to offer legal or any other form of advice.





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Income Tax Act 2023
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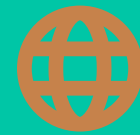


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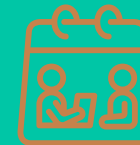
3/B Purana Paltan, Dhaka.



www.tnp.legal



tuhin@tnp.legal



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