

CHAPTER - 22

GIFT TAX

LEARNING OBJECTIVES

After studying Chapter 22, you shall be able to understand:

- ⊕ the nature of gift and gift tax as used in Bangladesh
- ⊕ chargeability of and exemptions from gift tax
- ⊕ submission of return and assessment procedure
- ⊕ valuation of gift
- ⊕ rates applicable for charging tax on gift
- ⊕ the way of computation of taxable gift and gift tax liability

Gift tax is a direct tax imposed on taxable gift. 'Gift' means any transfer of ownership of movable or immovable property by one person to another willingly and without any profit. Property is evaluated at the current market price.

After the independence, Bangladesh adopted the Gift tax Act, 1963 with some changes and relevant modifications which was in force in Pakistan. Later, it was repealed in 1985 through section 4 of Finance Ordinance and came into force again on 1st July 1990 in the name of the Gift Tax Act, 1990 (Act No. 44 of 1990). In Bangladesh, gift tax is leviable on the taxable gifts made at the rates specified in the schedule to the Gift Tax Act, 1990. Such tax has been collected by the income tax authority since 1963 except for 1985-86 to 1989-90. Under the Gift-tax Act 1990, it is now payable by the donor and applicable only for gifts of domestic property donated except to spouse, blood-related family members and dependent relatives, government recognized educational, religious, charitable, disaster-management or medical establishments, local authorities and some other prescribed persons. In the line of income tax, progressive slab taxation is also applicable for taxable gifts.

22.1 DEFINITION OF GIFT

Generally, the word "Gift" means something that is bestowed voluntarily and without compensation to someone. As per section 2(f) of the Gift Tax Act 1990, 'Gift' means the transfer of any existing immovable or moveable property by one person to another, made voluntarily and without consideration of any money or money's worth. The value of property under gift (other than cash) will be the value which, in the opinion of the DCT, the property would fetch if sold in the open market on the date of gift. When a property is not saleable in the open market and such value cannot be determined, its value will be determined according to the rules prescribed for the purpose. Valuation methods of gift have been provided in the Section 5 of the Gift Tax Act, 1990.

22.2 SCOPE OF BANGLADESH GIFT TAX

Gift tax, its calculation and applicability in Bangladesh is guided by -

1. The Gift Tax Act, 1990 (Act No. 44 of 1990): The Gift Tax Act, 1990 came into force on 1st July 1990. It has 21 sections, numerous subsections and one schedule containing rates of gift tax with reference to Section 3.
2. The Gift Tax Rules, 1990: The Gift Tax Rules, 1990 is issued exercising the power vested through Section 21 of the Gift Tax Act, 1990. So far, 6 rules and 5 form formats have been issued by the NBR.

22.3 CHARGEABILITY

Every gift is not taxable under the act. Before charging tax on gift, some preconditions are required to be met as pointed out below:

1. Transfer of property, either movable or immovable, is a must.
2. Transfer of an existing property can be a gift. Any property that is not existed cannot be transferred as a gift.
3. Transfer must be made by one person (donor) to another (donee).
4. To be a gift, the transfer should be made voluntarily without fear and favor.
5. Transfer should be made without or with inadequate consideration in money or money's worth.

However, gifts made by the following are not taxable as per section 20 of Gift Tax Act 1990:

- (a) A body corporate established or constituted by or under any law; and
- (b) Any institution or fund, income whereof is exempt from income tax under paragraph 1 and 2 of Part A of the Sixth Schedule of ITO 1984.

Transfer might take in the form of release, discharge, surrender, forfeiture or abandonment of a debt, contract, actionable claim or any interest in property in favor of others. Where such release, discharge, surrender etc. is not bonafide, the value of the release, discharge, surrender etc. would be deemed gift. And, in the case of transfer of property with inadequate consideration, the amount, by which the market values of the property exceed the value of consideration, would be the deemed gift.

SELF REVIEW 22 - 1

(a) How to compute the amount of taxable gift in case of transfer of property with inadequate consideration? (b) Only movable property can be transferred and considered at the time of computing taxable amount of gift - Do you agree?

22.4 EXEMPTIONS

A number of gifts are exempted from tax under Section 4 of the Gift Tax Act, 1990:

1. Gift of property situated outside Bangladesh;
2. Where the beneficiary is the government or any local authority;
3. Gifts to any educational institutions including polytechnic institute recognized by any university or education board established under any law in force in Bangladesh or recognized or run by the government.
4. Gifts to any hospital recognized or run/aided by the govt. or any local authority.
5. Gifts to any flood/disaster management fund established/approved by the govt;
6. Gifts to any institution established in Bangladesh and approved by the Government or established and registered under any law in force for religious or charitable purpose in respect of a gift up to 20% (twenty percent) of his assessed income in the relevant assessment year or Tk. 100,000, whichever is less;
7. Gifts to dependent relative up to Tk. 20,000 on the occasion of his/her marriage;
8. Gifts by way of payment of policies of insurance or annuities to any person (other than his wife) who is dependent upon him for support and maintenance up to Tk. 20,000.
9. Gifts under a will;
10. Gifts in contemplation of death;
11. Gifts to sons, daughter, father, mother, his/her spouse, own brothers and sisters.

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Without prejudice to the above provisions, gift tax shall not be charged under this Act in respect of gifts made by any persons during any financial year subject to a maximum of Tk. 20,000 in the value; i.e. basic exemption is of Tk. 20,000. The government may also exempt any classes of gifts or persons from the tax payable under this Act by way of gazette Notification.

22.5 VALUATION OF GIFT

Rate of tax is applied on the market value of the gift. When market value of the gift is not available, the rules prescribed in Section 5 and Rule 6 of the Gift Tax Act and Rules, 1990 becomes applicable. The valuation of gifts is exemplified below from the perspective of legal provision.

Property	Prescription regarding Valuation
Cash	Amount of cash transferred
Property other than Cash	<p>(a) If market value is known: The price that the property would fetch if sold in the open market on the date on which the gift was made [Section 5(1)].</p> <p>(b) If market value is not known: The value shall be determined in the manner prescribed in the Gift Tax Rules [Section 5(2)] as stated below:</p> <ol style="list-style-type: none"> 1. In case of gifted insurance policy, the amount of money that would be received by en-cashing the said policy would be the price. For example, surrender value of the policy on that date [Rule - 6(1)]. 2. In the case of shares of private limited company or firm, the value of share shall have to be determined in the proportion of asset of the concerned company or firm in the year in which share was gifted. For example, intrinsic value attributable to proportionate shareholding [Rule - 6(2)].
Others	The value as determined by the NBR.

SELF REVIEW 22 - 2

(a) How much of gift is generally exempted from tax? (b) State the valuation of gift under each of the following situation: (i) Property that is salable in the market (ii) Insurance policy (iii) Proportionate share of a firm.

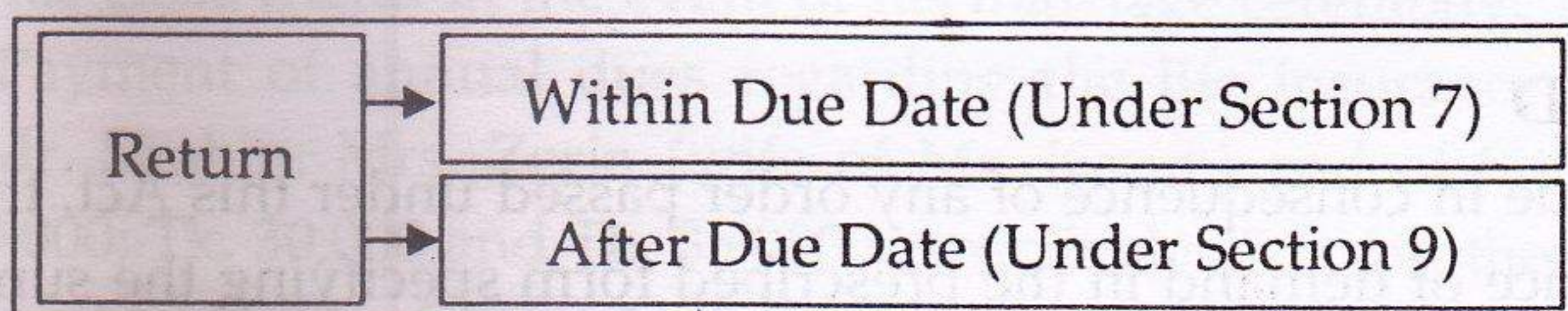
22.6 RETURN

⇒ Who is required to submit the return? **Ans:** Every person who has made any taxable gift.

⇒ When? **Ans:** Before the 15th day of September of the corresponding assessment year.

⇒ With whom? **Ans:** Deputy Commissioner of Taxes.

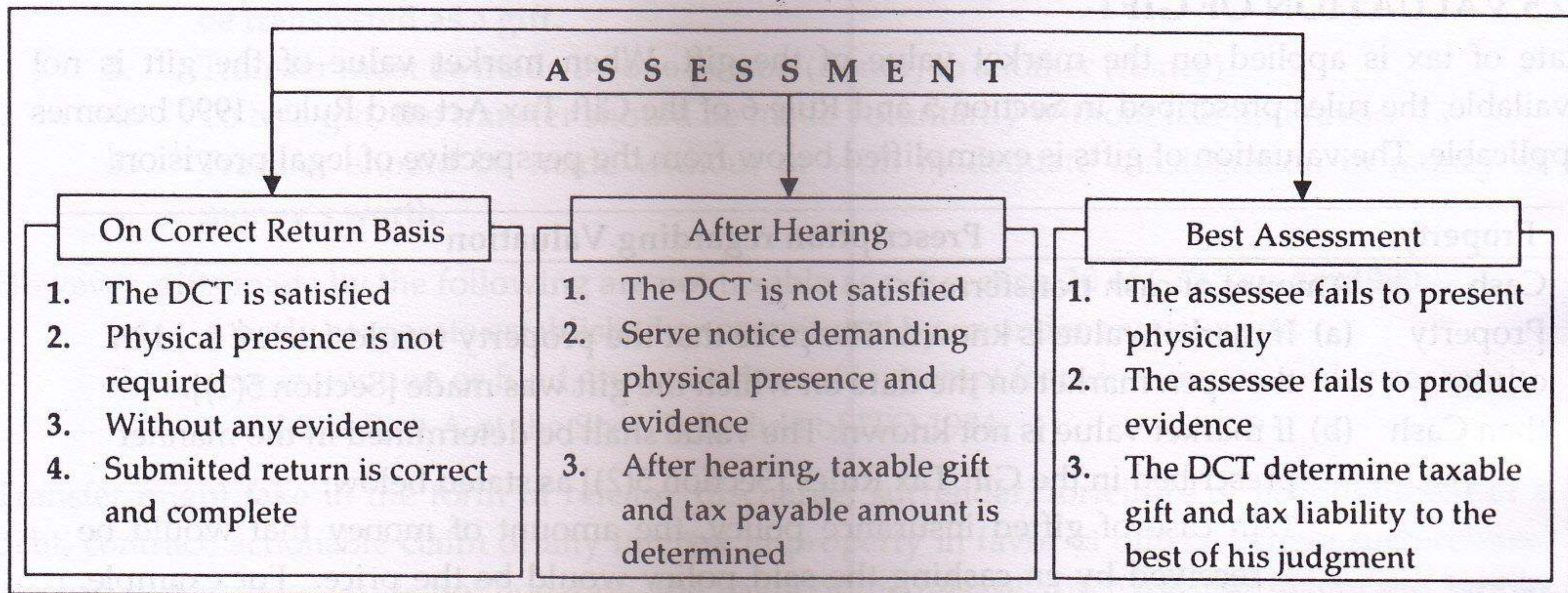
The return may be submitted within due date or even after due date.



1. **Within Due Date:** If the DCT believes that a person is liable to pay gift tax in respect of gifts made in a financial year under this act, he may serve a minimum of 30 days notice requiring the person to furnish a return in the prescribed form (Form 1) and manner. The DCT may also extend the date for the delivery of such return in his discretion. The person submitting return is liable to pay tax on or before the date of submission on the basis of the return. In failure without any reasonable cause, he shall be deemed to be an assessee in default.

2. **After Due Date:** If a person failed to submit return within due date or need corrections on the return already submitted, he may submit the return or do corrections at any time before the assessment.

22.7 ASSESSMENT



Once the return is submitted under either section 7 or 9, the DCT may be satisfied or may not be satisfied. If satisfied, the DCT shall determine the amount payable by the assessee as gift tax on the basis of the return submitted. But if he is not satisfied with the return, he shall serve a notice for producing evidence in support of his return and direct him to attend his office on a specified day. Then the DCT will examine the evidences and determine the gift tax payable by him after giving the assessee a hearing, if needed. If the assessee fails to produce supporting evidences, the DCT shall calculate the gift tax payable by him. Thus the assessment may take any of the three forms as given below:

22.8 PENALTY FOR DEFAULT AND CONCEALMENT

If any person deliberately furnishes inaccurate information in a return or fails to furnish a return even after receiving a notice from the DCT, he may be imposed a penalty **not exceeding fifty percent of the gift tax** determined by him. The said penalty shall be payable along with the amount of the gift tax. But regarding the imposition of penalty, no order shall be made unless the person concerned has been given a reasonable opportunity of being heard and prior approval is taken from the Inspecting Joint Commissioner of Taxes (IJCT). Any aggrieved party may appeal to an appellate authority as it was in the case of income tax.

22.9 NOTICE OF DEMAND

When any tax or penalty is due in consequence of any order passed under this Act, the DCT shall serve upon the assessee a notice of demand in the prescribed form specifying the sum so payable and time within which it shall be payable. The notice of demand to be given shall have to be provided in "Form – 3" specified in the Gift Tax Rules, 1990.

22.10 RECOVERY OF TAX AND PENALTIES

The provisions regarding recovery of gift tax and penalties are as follows:

- 1) If an assessee has presented an appeal u/s 12, the DCT, may in his discretion treat the assessee as not being in default as long as such appeal is not disposed of.

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- 2) If an assessee failed to pay any amount of gift tax or penalty specified as payable within the time specified in the notice of demand sent to him by the DCT U/s 13, he shall be deemed to be an assessee in default.
- 3) If the amount of gift tax or penalty payable under Section 13 is not paid within the specified period then it shall be deemed to be outstanding income tax under the Income Tax Ordinance, 1984 and shall be recoverable accordingly.

22.11 APPEAL

The provisions regarding appeal in the Gift Tax Act 1990 and Gift Tax Rules 1990 are as follows:

1. Any person aggrieved by the order of the Deputy Commissioner of Taxes or Tax Recovery Officer may prefer an appeal by "Form - 4" to the authority (Appellate Joint Commissioner of Taxes) as prescribed in the Income Tax Ordinance, 1984 [Section - 12(1) and Rule 5(1)(a)].
2. Any person aggrieved by the decision of the above appellate authority (Appellate Joint Commissioner of Taxes) can appeal for revision and reference by "Form - 5" to the authority (Appellate Tribunal) as prescribed in the Income Tax Ordinance, 1984 [Section - 12(1) and Rule 5(1) (b)].
3. A certified copy of the order against which appeal is being made must be enclosed with the application of appeal [Rule 5(2)].
4. Appeal, revision and reference under such circumstances will follow the method and procedure as prescribed in the Income Tax Ordinance, 1984.

22.12 RATES OF GIFT TAX

Gift tax is progressive like income tax with 4 tiers. The rates with the value of taxable gift are quoted below from the schedule of the Gift Tax Act, 1990:

Value of the taxable gift	Rates
1. On the first Tk. 500,000 of the value of all taxable gift	5%
2. On the next Tk. 1,000,000 of the value of all taxable gift	10%
3. On the next Tk. 2,000,000 of the value of all taxable gift	15%
4. On the balance amount of the value	20%

Illustration 22 - 1:

Mr. Karim has made gifts during income year 2016-17 as: (a) Cash gift of Tk. 150,000 on the occasion of marriage of his relative dependant on him. (b) Donated a house in Pakistan owned by him to a local hospital there. The market value of the house is Tk. 5,000,000. (c) Gifted a motor car to the son of his close friend in the event of his marriage ceremony. The car was purchased at Tk. 800,000. (d) Payment of annual dues regarding the life insurance policies of his brothers Mr. Rahim and Mr. Shahin; Mrs. Zerin (wife of Mr. Karim) and of himself. The amount being Tk. 20,000; Tk. 20,000; Tk. 30,000 and Tk. 35,000 respectively. Two brothers Mr. Rahim and Mr. Shahin is dependent on Mr. Karim. Compute the taxable gift and the gift tax thereon.

Solution 22 - 1:

Assessee: Mr. Karim

Computation of Taxable Gift for Income Year: 2016 - 2017; Assessment Year: 2017 - 2018

	Tk.	Tk.
(a) Gift on the occasion of dependant relative's marriage	150,000	
Less: Exempted to the extent of Tk. 20,000 [U/s 4(1)(d)]	20,000	130,000

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(b) Donation of a house to a hospital in Pakistan	5,000,000	
Less: Fully exempted being property situated outside BD	5,000,000	-
(c) Gift of motor car to the son of a friend on marriage ceremony		800,000
(d) Payment of Premium on Life Insurance Policies: Mr. Rahim	20,000	
Mr. Shahin	20,000	
Total	40,000	
Less: Exempted up to Tk. 20,000 [dependant [U/s 4(1)(e)]	20,000	20,000
(e) Payment of Life Insurance Premium of Mrs. Zerin		30,000
Total		980,000
Less: General Exemption [U/s 4(2)]		20,000
Taxable Gift		<u>960,000</u>

Computation of Gift Tax Liability: on first Tk. 500,000 @ 5% and on next Tk. 460,000 @ 10%. Therefore, total gift tax liability is Tk. 71,000.

Illustration 22 – 2:

Compute the taxable gift and the gift tax for Mr. Nikhil for the income year 2016 – 2017 considering:

Gift within Bangladesh: Gift to dependant sister a piece of land valued at Tk. 600,000; Gift to his brother the share of firm valued at Tk. 1,200,000 in contemplation of death; Cash donation to the youngest son for starting his own business, Tk. 800,000; Donation to: Prime Minister’s Relief Fund Tk. 60,000; Dhaka University Tk. 150,000; Dhaka Ahsania Mission Tk. 120,000; Aga Khan Development Network Tk. 80,000; Ram Krishno Mission Tk. 100,000; Donated a house in Dhanmondi to his wife valued at Tk. 2,500,000; Gift to the younger brother a motor car costing Tk. 800,000 on the occasion of marriage. His younger brother is independent; Gift to a friend a house at Chittagong as a token of love. However, he has received consideration from his friend amounting to Tk. 150,000. The market value of the house is Tk. 900,000; Loan given to a friend amounting to Tk. 120,000 become uncollectible and written off as bad debt. **Gift Outside Bangladesh:** Donated a furnished flat to his sister-in-law in Nepal worth Tk. 500,000 and donated his office furniture to his son-in-law from his UK business office in the event of withdrawal of investment from UK valued at Tk. 460,000.

Solution 22 – 2:

Assessee: Mr. Nikhil

Computation of Taxable Gift for Income Year: 2016 – 2017; Assessment Year: 2017 – 2018

	Tk.	Tk.
(a) Gift to dependant sister a piece of land	600,000	
Less: Fully Exempted [U/s 4(1)(h)]	600,000	nil
(b) Gift to brother the share of firm in contemplation of death	1,200,000	
Less: Fully exempted [U/s 4(1)(g) or (h)]	1,200,000	nil
(c) Cash donation to son for starting business	800,000	
Less: Fully Exempted [U/s 4(1)(h)]	800,000	nil
(d) Donation to Prime Minister’s Relief Fund	60,000	
Dhaka University	150,000	
Dhaka Ahsania Mission	120,000	
Aga Khan Development Network	80,000	
Ram Krishno Mission	100,000	
Total	510,000	

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Less: Fully Exempted [U/s 4(1)(c)]	510,000	nil
(e) Donated a house at Dhanmondi to his wife	2,500,000	
Less: Fully Exempted [U/s 4(1)(h)]	2,500,000	nil
(f) Gift to the brother in the event of marriage	800,000	
Less: Fully Exempted [U/s 4(1)(h)]	800,000	nil
(g) Gift to a friend with inadequate consideration:		
(i) Value of the property	900,000	
(ii) Consideration received	150,000	
Deemed gift		750,000
(h) Loan written-off as bad debt is not a gift (shown as charge against profit in profit and loss account)		
(i) Gift outside Bangladesh:		
(i) Donation of a flat to sister-in-law in Nepal	500,000	
(ii) Donation of furniture to son-in-law in UK	460,000	
Total value of gift outside Bangladesh	960,000	
Less: Fully Exempted [U/s 4(1)(a)]	960,000	nil
Total		750,000
Less: General Exemption [U/s 4(2)]		20,000
Taxable Gift		<u>730,000</u>

Computation of Gift Tax Liability: On first Tk. 500,000 @ 5% and on next Tk. 230,000 @ 10%. Therefore, total gift tax liability is Tk. 48,000.

Illustration 22 – 3:

A list of gifts is given later that is related to Mr. X for the assessment year 2017 – 2018. Compute the taxable gift and the gift tax thereon.

Cash donation to brother in law on the occasion of marriage Tk. 80,000; Gift of a flat to the only daughter on the occasion of marriage Tk. 2,500,000; Donation to a local charitable institution Tk. 100,000; Cash donation to his nephew in financial crises Tk. 20,000; Payment of insurance premium of his wife and himself Tk. 40,000; Donation to a political party Tk. 120,000; Donation to a local high school under a will Tk. 450,000; Donation to an institution established and registered for charitable purpose in Bangladesh Tk. 300,000.

During the year, total income of Mr. X amounted to Tk. 1,000,000; Donation to city corporation for the cause of fighting corruption Tk. 100,000; Donation to a body corporate established by law Tk. 90,000; Donation to a religious institution whose income is exempted from income tax due to the application of paragraph 2 of part A of the Sixth Schedule of ITO 1984 Tk. 60,000.

Solution 22 – 3:

Assessee: Mr. X

Computation of Taxable Gift for Income Year: 2016 – 2017; Assessment Year: 2017 – 2018

	Tk.	Tk.
(a) Cash donation on marriage of brother-in-law	80,000	
Less: Exempted to the extent of Tk. 20,000 [U/s 4(1)(d)]	20,000	60,000
(b) Gift of a flat to the daughter on the occasion of marriage	2,500,000	
Less: Fully Exempted [U/s 4(1)(h)]	2,500,000	nil

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(c) Donation to a local charitable institution	100,000	
(d) Cash donation to nephew	20,000	
Less: Exempted to the extent of Tk. 20,000 [U/s 4(1)(d)]	20,000	nil
(e) Donation to a political party		120,000
(f) Donation to a local high school under a will	450,000	
Less: Fully Exempted [U/s 4(1)(f)]	450,000	nil
(g) Donation to a charitable institution	300,000	
Less: Exempted – lower of Tk. 200,000 (20% of Tk. 1,000,000) or Tk. 100,000 [U/s 4(1)(c)(iv)]	100,000	200,000
(h) Donation to City Corporation	100,000	
Less: Fully Exempted [U/s 4(1)(b)]	100,000	nil
(i) Donation to a body corporate established by law	90,000	
Gift Tax Act is not applicable here [U/s 20 (a)]	-	-
(j) Donation to a religious institution	60,000	
Gift Tax Act is not applicable here [U/s 20 (b)]	-	-
Total		480,000
Less: General Exemption [U/s 4(2)]		20,000
Taxable Gift		460,000

Computation of Gift Tax Liability:

On first Tk. 480,000 @ 5%.

Therefore,

total gift tax liability is Tk. 24,000.

KEY POINTS

1. Gift means any transfer of ownership of movable or immovable property by one person to another willingly and without any profit.
2. The value of gift is the price that the property would fetch if sold in the open market on the date on which the gift was made.
3. The Act is not applicable for gifts made by a body corporate established or constituted by or under any law.
4. Every person who has made any taxable gift is required to submit a return with the DCT before the 15th day of September of the corresponding assessment year.
5. The person submitting a return is liable to pay tax on or before the date of submission on the basis of the return.
6. If a person failed to submit return within due date or need corrections on the return already submitted, he may submit the return or do corrections at any time before the assessment.
7. If any person deliberately furnishes inaccurate information in a return or fails to furnish a return even after receiving a notice from the DCT, he may be imposed a penalty **not exceeding fifty percent of the gift tax** determined by him.
8. If an assessee failed to pay any amount of gift tax or penalty specified, he shall be deemed to be an assessee in default.
9. Any person aggrieved by the order of the Deputy Commissioner of Taxes or Tax Recovery Officer may prefer an appeal to the Appellate Joint Commissioner of Taxes.
10. Gift tax is progressive like income tax with 4 tiers having rates set at 5%, 10%, 15% and 20%.

Multiple choice questions:

1. The valuation of gifted insurance policy is made on the basis of -
 - (a) Intrinsic value
 - (b) Market value
 - (c) Amount of premium paid
 - (d) Surrender value
2. Gift tax return is submitted with -
 - (a) Deputy Commissioner of Taxes
 - (b) Tax Recovery Officer
 - (c) Inspecting Joint Commissioner of Taxes
 - (d) Appellate Authority
3. When the gift tax return is submitted?
 - (a) Before the 15th day of June
 - (b) Before the 15th day of September
 - (c) Before the 15th day of December
 - (d) Before the 15th day of March
4. Assume that the DCT determined the amount of gift tax payable by the assessee on the basis of the return submitted. What is the type of assessment
 - (a) Assessment after hearing
 - (b) Best judgment assessment
 - (c) Assessment on correct return basis
 - (d) Universal self-assessment
5. In case of assessment after hearing, why does the DCT serve notices?
 - (a) For physical presence
 - (b) For production of evidences
 - (c) Both
 - (d) None
6. What is the maximum amount of gift that is not charged under Gift Tax Act 1990?
 - (a) Tk. 20,000
 - (b) Tk. 30,000
 - (c) Tk. 50,000
 - (d) Tk. 25,000
7. Gift tax is a direct tax with - taxation system.
 - (a) Proportional
 - (b) Progressive
 - (c) Regressive
 - (d) Digressive
8. Which of the following gift is fully exempted from the charge of gift tax -
 - (a) To dependent relative in the occasion of marriage
 - (b) By way of payment of insurance policy
 - (c) Donation to a local private mosque
 - (d) Donation to Government or any local authority.
9. Any person aggrieved by the order of Taxes Recovery Officer may file an appeal with -
 - (a) The Deputy Commissioner of Taxes
 - (b) The Inspecting Joint Commissioner of Taxes
 - (c) The Taxes Appellate Tribunal
 - (d) None of the above

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10. Gift tax may be charged at a maximum rate of -

- (a) 25%
- (b) 35%
- (c) 40%
- (d) 20%

Identify the following statements as True (T) or False (F):

1. Both movable and immovable property can be transferred.
2. Transfer of property outside Bangladesh is taxable.
3. Every person who has made any taxable gift is required to submit return.
4. The DCT may require physical presence and production of evidences in best judgment assessment.
5. Insurance policy is valued at intrinsic value if gifted.

T	F
T	F
T	F
T	F
T	F

Discussion Questions:

Question 22 – 1: Explain the term ‘chargeability’ from gift tax point of view.

Question 22 – 2: “Gift tax is chargeable at the rates specified in the schedule irrespective of the nature of gift” – do you agree? Explain.

Question 22 – 3: “There is no difference between gift tax and income tax in terms of appeal” – do you agree? Explain.

Question 22 – 4: Which gifts are exempted from the charge of gift tax? Explain in the light of Section 4 of the Gift Tax Act, 1990.

Question 22 – 5: What are the procedures of submission of return?

Question 22 – 6: What are the different valuation styles of gifts? Exemplify.

Question 22 – 7: What are the different types of assessment applicable for gift tax?

Question 22 – 8: Write short note on:

- (a) Gift
- (b) Transfer
- (c) Valuation of Gift
- (d) Best Judgment Assessment

Problem 22 – 1:

Mr. Ratan has made the following gifts during income year 2016-17:

- (a) Cash gift of Tk. 250,000 on the occasion of marriage of one of his relative who is not dependent on him.
- (b) Donated a house in India owned by him to a charitable institution there. The market value of the house is Tk. 3,500,000.
- (c) Gifted a motor car to the daughter of his close friend in the event of his marriage ceremony. The
- (d) Payment of annual dues regarding the life insurance policies of his brothers Mr. Jatan and Mr. Kiron; Mrs. Faria (wife of Mr. Ratan) and of himself. The amount being Tk. 20,000; Tk. 20,000; Tk. 30,000 and Tk. 35,000 respectively. Two brothers Mr. Jatan and Mr. Kiron is not dependant on Mr. Ratan.

Required: Compute the taxable gift and the gift tax thereon.

Problem 22 – 2:

Mr. Faridul Alam has reported the following gifts applicable to the income year 2016-17:

1. Gift within Bangladesh:

- a. Gift to dependant sister a piece of land valued at Tk. 600,000;
- b. Gift to his brother the share of firm valued at Tk. 1,200,000 in contemplation of death;
- c. Cash donation to the youngest son for starting his own business, Tk. 800,000;
- d. Donation to:
 - i. Prime Minister's Relief Fund Tk. 60,000;
 - ii. Dhaka Medical College and Hospital Tk. 150,000;
 - iii. Dhaka Ahsania Mission Tk. 120,000;
 - iv. Aga Khan Development Network Tk. 80,000;
- e. Donated a house in Dhanmondi to his wife valued at Tk. 2,500,000;
- f. Gift to the younger brother a motor car costing Tk. 800,000 on the occasion of marriage.
- g. Gift to a friend a house at Chittagong as a token of love. The market value of the house is Tk. 900,000;
- h. Loan given to a friend amounting to Tk. 120,000 become uncollectible and written off as bad debt.

2. Gift Outside Bangladesh:

- a. Donated an unfurnished flat to his sister-in-law in Japan worth Tk. 500,000.
- b. Donated his office furniture to his daughter-in-law from his UK business office in the event of withdrawal of investment from UK valued at Tk. 460,000.

Required: Compute the taxable gift and the gift tax thereon.

Problem 22 – 3:

A list of gifts is given below that is related to Mr. Y for the assessment year 2017-18:

	<u>Amount of Gift</u>
(a) Cash gift to sister in law on the occasion of marriage	Tk. 80,000
(b) Gift of a flat to the only daughter on the occasion of marriage	2,500,000
(c) Donation to a charitable institution	100,000
(d) Cash donation to his nephew for doing business	20,000
(e) Payment of insurance premium of his wife and himself	40,000
(f) Donation to a political party	120,000
(g) Donation to a local high school	450,000
(h) Donation to an institution established and registered for charitable purpose in Bangladesh. During the year, total income of Mr. X amounted to Tk. 1,000,000.	100,000
(i) Donation to city corporation	100,000
(j) Donation to a body corporate not established by law	90,000
(k) Donation to a religious institution whose income is exempted from income tax due to the application of paragraph 2 of part A of the Sixth Schedule of ITO 1984.	60,000

Required: Compute the taxable gift and the gift tax thereon.

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Answers:

Multiple choice questions		True/False
1. d	6. a	1. T
2. a	7. b	2. F
3. b	8. d	3. T
4. c	9. b	4. F
5. c	10. d	5. F

Self review 22 – 1:

- a. In the case of transfer of property with inadequate consideration, the amount, by which the market values of the property exceed the value of consideration, would be the amount of gift. The following equation may be used at the time of computation of taxable gift in such situation:

$$\text{Taxable Gift: Value of the Property Transferred} - \text{Consideration Received}$$

- b. No, both movable and immovable property can be transferred and considered at the time of computation of taxable gift under Gift Tax Act, 1990.

Self review 22 – 2:

- (a) Tk. 20,000
 (b) (i) Market value
 (ii) Surrender value
 (iii) Intrinsic value

CHAPTER - 23

CUSTOMS AND OTHER TAXES

LEARNING OBJECTIVES

After studying Chapter 23, you shall be able to understand:

- ⊕ the concept Customs duty
- ⊕ Customs procedure
- ⊕ Customs authorities in Bangladesh
- ⊕ the concept of income from spouse or minor child
- ⊕ Prohibited goods
- ⊕ Goods dutiable
- ⊕ Travel tax rates and exemptions
- ⊕ Baggage rules
- ⊕ Narcotics duty

23.1 INTRODUCTION

Customs is an authority or agency in a country responsible for collecting and safeguarding customs duties and for controlling the flow of goods including animals, personal effects and hazardous items in and out of a country. Depending on local legislation and regulations, the import or export of some goods may be restricted or forbidden, and the customs agency enforces these rules. Customs Duty synonymous to tariff and involves a tax on commodities entering and leaving the country. Customs duty is sometimes called an 'external excise tax', which includes an export duty or an import duty. In Bangladesh the levy and chargeability of customs duty are governed by the Customs Act, 1969.

23.2 BANGLADESH CUSTOMS

The origin of customs duty dates back to the 'customary levies' of ancient times. In the early twentieth century, 'taxes on imports and exports' were the seventh major source of public revenue. The present customs system came into being in the nineteenth century. The entire law and machinery for collection was consolidated in 1878, when the Sea Customs Act was enacted on the pattern of the British customs law, giving legal authority for the levy and collection of customs duty. The administration was initially vested in the provincial government until 1924, when it was brought under the central control with the establishment of the Central Board of Revenue (CBR) under CBR Act of 1924. The Land Customs Act was also promulgated in 1924 to enable the central government to enforce control on the movement of goods and passengers by land routes and frontiers from the subcontinent to adjoining territories and *vice versa* or in transit from one country to the other via the subcontinent. The Customs Act 1969 was enacted to consolidate and amend the law relating to the levy and collection of customs duties and provide for allied matters. After the emergence of Bangladesh, the government abolished CBR and created National Board of Revenue (NBR) as the apex tax authority with power to take over customs administration. The Customs Act was made effective in Bangladesh by President's Order no. 48 of 1972 with effect from 01 January 1970.

Considering all the relevant issues the NBR/ Bangladesh Government has decided to enact a new Customs Act titled "Customs Act, 2014" and in this regard a draft of new customs act has been prepared with the support of the consultants of International Finance Corporation (IFC). This new draft is now hosted in the public domain for stakeholders and consultants' opinion. It is expected that NBR will finalize the final version of Act within 2014.

23.3 OBJECTIVES OF CUSTOMS ACT AND PROCEDURE

In Bangladesh, The primary function of the customs authority is the administration of revenue under the Customs Act 1969 and the Value Added Tax Act 1991. The customs authority is responsible mainly for assessment and collection of customs duties, VAT, supplementary duty and other taxes and charges leviable on imported or exported goods. Its collateral function includes prevention of smuggling, implementation of the Imports and Exports (Control) Act 1950, and the enforcement of the Foreign Exchange Regulation Act 1947. In its auxiliary function, the customs authority also maintains the security measures under different statutes, namely the Arms Act 1878, the Explosives Act 1884, the Merchandise Marks Act 1889, the Livestock Importation Act 1898, the Narcotics Control Act 1990, etc.

The major objectives of customs tariff policy are the protection of domestic industries, improvement of the balance of payments position, discouragement of importing demerit goods having negative externality, promotion of exports and simplification of procedure of importing inputs and capital goods for exporters. Tariff policy also has an objective of ensuring that the inputs of domestic products are not subject to tariffs higher than those of competing finished imports. Duties and taxes collected on international trade now comprise the one of the largest shares of tax revenue in Bangladesh. More than 70% of total taxes come from indirect taxes, about 17.2% of total tax which is collected at customs-station in form of import duty. In Bangladesh, the export is almost zero-rated, so customs duty is not charged on export commodity. However, due to tariff reduction after the signing of the World Trade Organisation (WTO) Agreement, the share of customs duty in the tax structure has been falling in recent years. The provisions of the customs act also help the country to protect the interest of the local industries.

23.4 CUSTOMS PROCEDURE

The Customs Act is related to import and export of "goods". The goods are brought into or taken out of Bangladesh under the provision of the Customs Act. The "conveyance" entering Bangladesh from any place outside Bangladesh with imported goods must land at a "customs-area" which is usually a "customs-station" and which includes other area where imported goods or goods for export are ordinarily kept by the customs authorities. The "person-in-charge" of the conveyance is liable to comply this provision u/s 42. The customs-station may be a "customs-port", "customs-airport" or any "land customs-station". For control purposes, no vessel whether laden or in ballast, shall depart from any customs-port without a port clearance granted by the appropriate customs officer u/s 51 and no conveyance other than a vessel shall depart from a land customs-station or customs-airport without a written permission granted by the appropriate customs officer u/s 52. Besides u/s 64, goods are usually not to be loaded or unloaded or waterborne except in the presence of an "appropriate officer". And usually goods are also not be loaded or unloaded or passed on certain days or at certain times u/s 65 and they are not be loaded or unloaded except at approved places u/s 66, but u/s 67, the National Board of Revenue (NBR) may exempt from the provisions of section 64 and 66. For imposing customs duty, the customs authorities assess the duty u/s 80 and 81.

23.5 SCOPE OF BANGLADESH CUSTOMS LAW

In order to determine the customs duty and complete the customs procedure in Bangladesh, certain provisions, rules and regulations are to be followed. They are as follows:

1. **The Customs Act, 1969:** The Customs Act, 1969 came into force in Bangladesh by President's Order no. 48 of 1972 with effect from 01 January 1970. It has twenty chapters, 223 sections, numerous subsections containing provisions regarding customs duty determination, penalty, appeal etc.
2. **Relevant Import / Export Policy:** Bangladesh Import Policy [2009-2012] and Bangladesh Export Policy [2009-2012].
3. **Finance Act:** It contains the changes introduced in the Customs laws in Bangladesh during the annual budget.
4. **SROs:** various SROs are issued time to time by the NBR to enhance the customs procedure as and when necessary.
5. **Allied Acts and Rules:** Such as, the Arms Act, 1878; General Clauses Act, 1897, Explosive Substances Act, 1908; Light House Act, 1927; Provisional Collection of Taxes Act, 1931; Agricultural Produce Cess Act, 1940; Excise and Salt Act, 1944; Foreign Exchange Regulation Act, 1947; Imports and Export (Control) Act, 1950; Criminal Law Amendment Act, 1958; National Board of Revenue Order, 1972; Travel Tax Act, 2003; Money laundering Act, 2009 etc..
6. **Judicial Decisions:** Relevant Judicial Decisions given by the Supreme Court settling Customs Cases.

23.6 STATUTORY DEFINITIONS OF IMPORTANT TERMS AS PER SECTION 2 OF THE CUSTOMS ACT, 1969

1. **Agent:** "agent" means any person, including a shipping agent, clearing and forwarding agent, cargo agent, and freight forwarding agent, licensed under section 207, or any person permitted to transact any business u/s - 208. [U/s 2(a)]
2. **Appellate Tribunal:** "Appellate Tribunal" means the Customs, Excise and Value Added Tax (VAT) Appellate Tribunal constituted under section 196. [U/s 2(aa)]
3. **Appropriate Officer:** "Appropriate Officer", in relation to any functions to be performed under this Act, means the officer of customs to whom such functions have been assigned by or under this Act. [U/s 2(b)]
4. **Bangladesh customs-waters:** "Bangladesh customs-waters" means the waters extending into the sea to a distance of **twelve nautical miles** measured from the appropriate base line on the coast of Bangladesh. [U/s 2(bb)]
5. **Bill of Entry:** "Bill of entry" means a bill of entry delivered under section 79, and includes an electronically transmitted bill of entry in such cases and in such manner containing such particulars as the Board may specify. [U/s 2(c)]
6. **Bill of Export:** "Bill of export" means a bill of export delivered under section 131, and includes an electronically transmitted bill of export in such cases and in such manner containing such particulars as the Board may specify. [U/s 2(d)]
7. **Board:** "Board" means the National Board of Revenue constituted under the National Board of Revenue Order, 1972 (P.O. No. 76 of 1972). [U/s 2(e)]
8. **Coastal Goods:** "Coastal goods" means goods transported in a vessel from one port in Bangladesh to another, but does not include imported goods on which customs duty has not been paid. [U/s 2(f)]

9. **Container:** "Container" means a receptacle of permanent nature, having an internal volume of one meter or more, full or partially enclosed to constitute a compartment for containing goods and specially designed to facilitate carriage of goods by one or more modes of transport, without intermediate reloading, and ready handling, particularly when transferred from one mode of transport to another and strong enough for repeated use. [U/s 2(ff)]
10. **Controlling Authority:** "Controlling authority", in relation to any customs-airport, port, customs-inland container depot or customs-station, means the owner or legal occupier thereof or any person having legal control thereof. [U/s 2(fff)]
11. **Conveyance:** "Conveyance" means any means of transport used for carrying goods or passengers such as a vessel, aircraft, vehicle or animal. [U/s 2(g)]
12. **Customs-airport:** "Customs-airport" means any airport declared under section 9 to be a customs-airport. [U/s 2(h)]
13. **Customs-area:** "Customs-area" means the limits of the customs-station specified under section 10 and includes any area in which imported goods or goods for export are ordinarily kept before clearance by the customs authorities. [U/s 2(i)]
14. **Customs Computer System:** "Customs computer" system means the customs computerised entry processing system established by the Board for the purposes of this Act. [U/s 2(ii)]
15. **Customs-inland Container Depot:** "Customs-inland container depot" means any place declared under section 9 to be a customs-inland container depot. [U/s 2(iii)]
16. **Customs-inland water container terminal:** "Customs-inland water container terminal" means any place declared u/s9 as a customs-inland water container terminal [U/s 2(iiii)]
17. **Customs-port:** "Customs-port" means any place declared under section 9 to be a port for the shipment and landing of goods. [U/s 2(j)]
18. **Customs-station:** "Customs-station" means any customs-port, customs-airport, land customs stations, customs-inland water container terminal or such other place as may be declared, from time to time, under section 9. [U/s 2(k)]
19. **Export Manifest:** "Export manifest" means an export manifest delivered u/s - 53, and includes an electronically transmitted export manifest in such cases and in such manner containing such particulars as the board may specify. [U/s 2(kk)]
20. **Goods:** "Goods" means all movable goods and includes-
 - (i) Conveyances
 - (ii) Stores and materials
 - (iii) Baggage
 - (iv) Currency and negotiable instruments
 - (v) Electronic data. [U/s 2(l)]
21. **Import Manifest:** "Import manifest" means an import manifest delivered u/s - 43 & 44, and includes an electronically transmitted import manifest in such cases and in such manner containing such particulars as the Board may specify. [U/s 2(ll)]
22. **Land customs-station:** "Land customs-station" means any place including an inland river port declared under section 9 to be a land customs-station. [U/s 2(m)]
23. **Master:** "Master", when used in relation to any vessel, means any person, except a pilot or harbour master, having command or charge of such vessel. [U/s 2(n)]
24. **Officer of Customs:** "Officer of customs" means an officer appointed u/s
25. **Person:** "Person" includes a company, partnership, association, firm or a body of persons. [U/s 2(pp)]

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26. **Person-in-charge:** "Person-in-charge" means -
- (i) in relation to a vessel, the master of the vessel;
 - (ii) in relation to an aircraft, the commander or pilot in-charge of the aircraft;
 - (iii) in relation to a railway train, the conductor, guard or other person having the chief direction of the train;
 - (iv) in relation to any other conveyance, the driver or any other person having control of the conveyance. [U/s 2(q)]
27. **Registered User:** "Registered user", in relation to a Customs computer system, means a user of that system and registered for the purposes of this Act. [U/s 2(qqq)]
28. **Pre-shipment Inspection Agency:** "Pre-shipment inspection agency" means any person appointed under section 25A as a pre-shipment inspection agency and includes a representative of that person. [U/s 2(qq)]
29. **Prescribed:** "Prescribed" means prescribed by rules or order, as the case may be. [U/s 2(qqa)]
30. **Rules:** "Rules" means the rules made under this Act. [U/s 2(r)]
31. **Smuggle:** "Smuggle" means to bring into or take out of Bangladesh in breach of any prohibition or restriction for the time being in force; or evading payment of customs-duties or taxes leviable thereon -
- (a) narcotics, narcotic drugs or psychotropic substance; or
 - (b) gold bullion, silver bullion, platinum, palladium, radium, precious stones, currency, manufactures of gold or silver or platinum or palladium or precious stones, or any other goods notified by the Government in the official Gazette, in each case exceeding Taka ten lakhs in value; or
 - (c) any goods concealed in any manner in any place on board any ship, vessel or aircraft or in any other vehicle or in any baggage or cargo or on person; or
 - (d) any other goods by any route other than a route declared under section 9 or 10 from any place other than a customs-station; and includes an attempt, abatement or connivance of so bringing in or taking out of such goods; and all cognate words and expressions shall be construed accordingly. [U/s 2(r)]
32. **Special Bonded Warehouse:** "Special bonded warehouse" means a private warehouse licensed under section 13 and which is a hundred percent export oriented industry to be determined as such by the Board for the purpose of exemption from the provision of sub-section (2) of section 91. [U/s 2(t)]
33. **Warehouse:** "Warehouse" means a place appointed under section 12 or a place licensed under section 13. [U/s 2(tt)]
34. **Warehousing Station:** "Warehousing station" means a place declared as a warehousing station under section 11. [U/s 2(u)]
35. **Wharf:** "Wharf" means any place in customs-port approved under clause (b) of section 10 for the loading and unloading of goods or any class of goods. [U/s 2(v)]

23.7 CUSTOMS AUTHORITIES:

Customs authority is the empowered body through the act that has the sole authority to impose different sections under this act. NBR as per Chapter II (Section 3 to 8) of the Customs Act, 1969 deals with the appointments of the officers of customs and their powers. Apart from this, section 196 of the act talks about the appellate tribunal which also forms a part of authorities. Customs authorities with the organogram are presented in figure 1 followed by a discussion thereof.

23.7.1 Powers and duties of officers of Customs (U/S - 4):

An officer of customs appointed under section 3 shall exercise –

- a. Such powers and discharge such duties as are conferred or imposed on him
- b. All power/discharge all duties conferred/imposed upon any officer subordinate to him.

Provided that, the Board may impose such limitations or conditions on the exercise of such powers and discharge of such duties as it thinks fit.

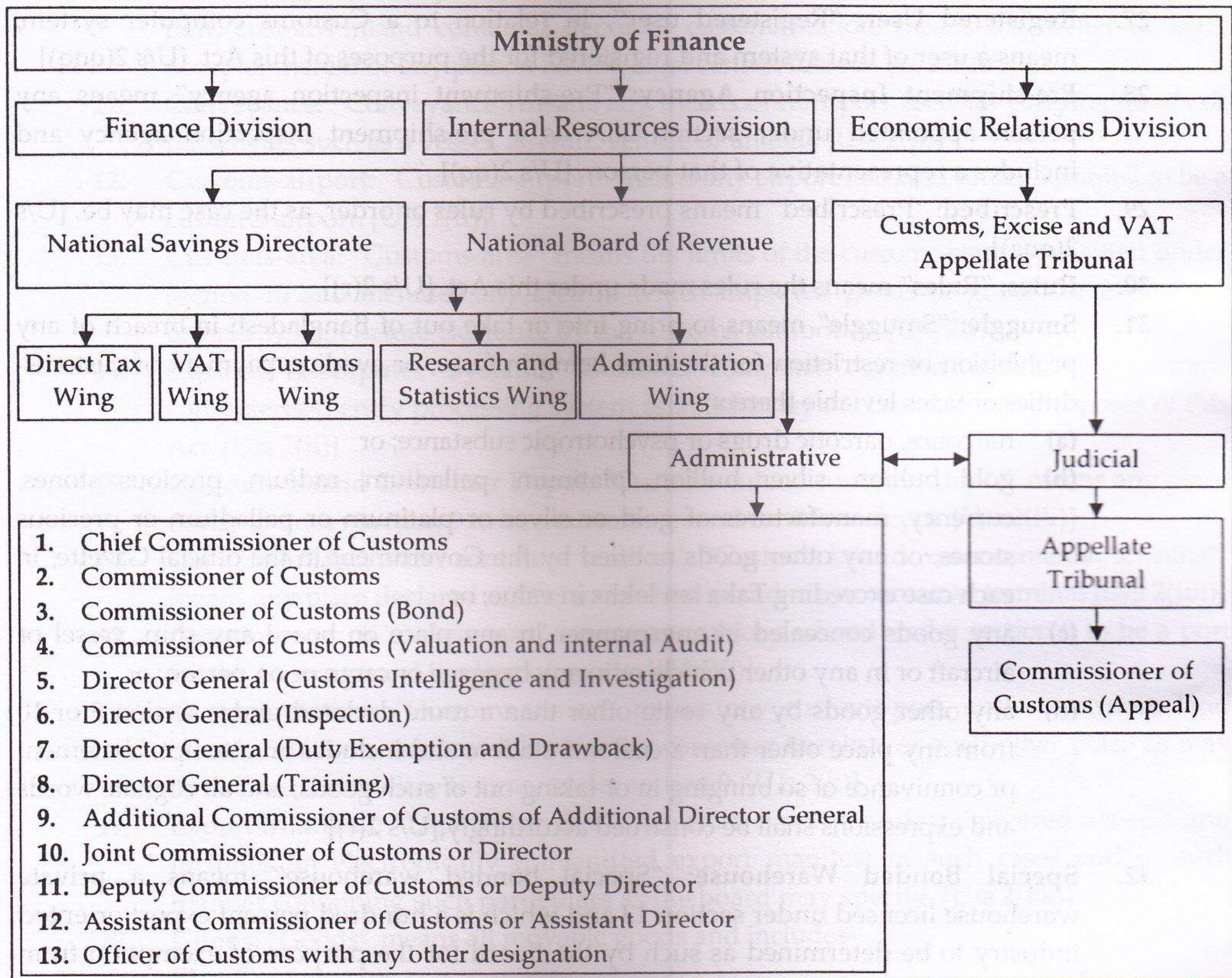


Figure – 1: Customs Authority Organogram

23.7.2 Delegation of powers (U/S - 5):

The Board may, by notification in the official Gazette, and subject to such limitations or conditions, if any, as may be specified therein, delegate the power by name or designation as given in the following table.

Empowered	With the Power of
(a) Additional Commissioner of Customs	⇒ Commissioner of Customs ⇒ Commissioner of Customs (bond) or ⇒ Commissioner of Customs (Valuation and Internal Audit)
(b) Joint Commissioner of Customs	⇒ Commissioner of Customs ⇒ Commissioner of Customs (bond) or ⇒ Commissioner of Customs (Valuation and Internal Audit) ⇒ Additional Commissioner of Customs

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- | | |
|---------------------------------------|--------------------------------------|
| (c) Deputy Commissioner of Customs | ⇒ Additional Commissioner of Customs |
| | ⇒ Joint Commissioner of Customs |
| (d) Assistant Commissioner of Customs | ⇒ Deputy Commissioner of Customs |
| (e) any other officer of Customs | ⇒ Assistant Commissioner of Customs |
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23.7.3 Assistance to the officers of Customs (U/S - 7)

All officers and staffs of government and semi-government organizations, law enforcement agencies, security forces, autonomous bodies, statutory bodies, financial institutions, educational institutions, private organizations, local government and non-government organizations shall assist the officers of customs in the discharge of their functions under this Act.

23.8 PROHIBITED GOODS (U/S – 15)

Some of the goods are prohibited to bring into Bangladesh whether by air or land or sea as per section 15 of the Customs Act, 1969. These are –

- (a) counterfeit coin;
- (b) forged or counterfeit currency notes and any other counterfeit product;
- (c) any obscene book, pamphlet, paper, drawing, painting, representation, figure, photograph, film or article, video or audio recording, CDs or recording on any other media;
- (d) goods having applied thereto a counterfeit trade mark within the meaning of the Penal Code (Act XLV of 1860), or a false trade description within the meaning of the Trademark Act, 2009 (Act No. XIX of 2009);
- (e) goods made or produced outside Bangladesh and having applied thereto any name or trade mark, being or purporting to be the name or trade mark of any manufacturer, dealer or trader in Bangladesh unless-
 - (i) the name or trade mark is, as to every application thereof, accompanied by a definite indication of the goods having been made or produced in a place outside Bangladesh; and
 - (ii) the country in which that place is situated is in that indication shown in letters as large and conspicuous as any letter in the name or trade mark, and in the same language and character as the name or trade mark;
- (f) piece-goods manufactured outside Bangladesh, unless the real length thereof in standard meters or other measurement for the time being applying in Bangladesh has been conspicuously stamped on each piece in Arabic numerals;
- (g) goods made or produced outside Bangladesh and intended for sale, and having applied thereto, a design in which copy-right exists under the Patents and Designs Act, 1911 (Act No. II) and in respect of the class to which the goods belong or any fraudulent or obvious imitation of such design except when the application of such design has been made with the licence or written consent of the registered proprietor of the design; and
- (h) goods or items produced outside Bangladesh involving infringement of the Copyright Act, 2000 (Act No. XXVIII of 2000) or infringement of layout design of integrated circuit that are intended for sale or use for commercial purposes within the territory of Bangladesh.

The government may bring new goods in the prohibited goods list and also release some other goods from the list with specific description through official gazette notification. Where any goods are imported into or attempted to be exported out of Bangladesh in violation of the provisions as already mentioned, such goods shall be liable to be detained and confiscated and shall be disposed of in such a manner as may be prescribed.

23.9 LEVY OF CUSTOMS DUTIES:

Several types of duties are imposed on goods at the time of import or export as per various provisions (Basically Chapter V) of the CA, 1969. The relevant discussions are as follows:

23.9.1 Goods Dutiable:

Section – 18: Except as hereinafter provided, customs-duties shall be levied at such rates as are prescribed in the First Schedule or under any other in force law –

- (a) goods imported into, or exported from, Bangladesh;
- (b) goods brought from any foreign country to any customs-station, and without payment of duty there, transhipped or transported for, or thence carried to, and imported at, any other customs station; and
- (c) goods brought in bond from one customs station to another

Provided that no customs-duty under this Act or other tax leviable by a Customs officer under any other law for the time being in force shall be levied or collected in respect thereof, if

- (a) in value of the goods in any one consignment do not exceed **one thousand Taka**; and
- (b) the total amount of such duty and tax does not exceed **Taka one thousand**.

Section – 22: If goods produced in and exported from Bangladesh are subsequently imported into Bangladesh, such goods shall be liable to customs-duty, where

- (a) at the time of exportation of such goods, drawback of any Customs Duty or Excise Duty was allowed; and
- (b) such goods were exported in bond, without payment of Customs Duty on raw materials at import stage or Excise Duty or any other tax/duty at production stage.

23.9.2 Various Types of Duties under the Customs Act, 1969:

1. **General Customs Duty u/s 18(1):** This is the duty imposed on the goods durable u/s 18(1) which are prescribed in the First Schedule i.e (i) goods imported into or exported from Bangladesh, (ii) goods brought from a foreign country to any customs-station, and without payment of customs duty there, transhipped or thence carried to and imported at, any other customs-station; and (iii) goods brought in bond from one customs-station to another.
2. **Regulatory Duty u/s 18(2):** This is the duty which may be imposed by the Government through notification in the official gazette on all or any of the goods specified in the First Schedule in addition to the General Customs Duty imposed under u/s 18(1) at a rate not exceeding 50% of the rate of General Customs Duty, or at a rate not exceeding 100% of the value of such goods as determined u/s 25 (i.e the value-base for imposing the General Customs Duty).
3. **Countervailing Duty u/s 18A:** Where any country or territory pays, bestows, directly or indirectly, any subsidy upon the manufacture or production therein or the exportation therefrom of any goods including any subsidy on transportation of such goods, then, upon the importation of any such goods into Bangladesh, whether the

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same is imported directly from the country of manufacture, production or otherwise, and whether it is imported in the same condition as when exported from the country of manufacture, production or otherwise, the Government may, by notification in the official gazette, impose a countervailing duty not exceeding such subsidy.

4. **Anti-dumping Duty u/s 18B:** Where any goods are exported from any country or territory to Bangladesh at less than the normal value, then, upon the importation of such goods into Bangladesh, the Government may, by notification in the official gazette, impose an anti-dumping duty not exceeding the 'margin of dumping' (the difference between the export price and the normal value) in relation to such goods.
5. **Safeguard Duty u/s 18E:** This is the duty which may be imposed by Government when it is satisfied that any article is being imported into Bangladesh in such increased quantities and under such conditions that such importation may cause or threaten to cause serious injury to domestic industry.

23. 10 EXEMPTIONS FROM CUSTOMS DUTY:

Considering the improvement of economic development and social welfare of Bangladesh, the government has allowed the import or export of some relevant goods fully or partly exempted from customs duty. Section 19, 20, 21 and 24 explained the provisions regarding the exemption:

General Exemption [U/S - 19]: If the Government is satisfied, after consultation with the National Board of Revenue (NBR), that it is necessary in the public interest to do so, it may, by notification in the official gazette, exempt any goods imported into, or exported from Bangladesh or into or from any port or station or area therein, from the whole or any part of the Customs Duty chargeable thereon. Provided that if, in a financial year, exemption under this sub-section is given in respect of any goods, the rate of duty cannot be changed more than once in that year so as to increase that rate.

Exemption in Special Circumstances [U/S - 20]: If the Government is satisfied that it is necessary in the public interest to do so, it may, under circumstances of exceptional nature, by a special order in each case recording such circumstances, exempt any goods from payment of the whole or any part of the Customs Duty chargeable thereon.

Delivery of goods without payment of customs duty and repayment of customs duty paid on import [U/S - 21]: The National Board of Revenue (NBR) or any other authority authorized by the NBR in the behalf may, by special order, authorize –

- (a) the delivery without payment of the Customs Duty chargeable thereon of goods which are imported only temporarily with a view to subsequent exportation;
- (b) the delivery without payment of the whole or in part of the Customs Duty chargeable thereon of prescribed class of goods imported and intended to be used in the production, manufacture, processing, repair or refining to Bangladesh of another prescribed class of goods;
- (c) the repayment of whole or in part of the Customs Duty paid on the importation of any prescribed class of goods which have been used in the production, manufacture, processing, repair or refining in Bangladesh of another prescribed class of goods, but in this case, no drawback can be claimed.

Export of provisions and stores exported free of customs duty [U/S - 24]: Goods produced or manufactured in Bangladesh and required as provisions and stores on any conveyance proceeding to any foreign port, airport or station may be exported free of

Customs Duty and VAT in such quantities which are determined by an appropriate Customs Officer on the basis of the size of the conveyance, the number of passengers and crew and the length of the voyage.

23.11 VALUATION OF GOODS FOR IMPOSITION OF DUTY / ASSESSMENT PURPOSE [U/S – 25]

The valuation of goods for imposition of duty is done on the basis of the various provisions of Section 25 of the Customs Act, 1969 and The Customs valuation (Fixing the price of Imported goods) Rules, 2000. A brief summary are as follows:

23.11.1 Value of imported goods u/s 25(1), 25(2) and 25(3):

The provisions for the computation of the value of goods for charging customs duty are:

1. Whenever customs-duty is leviable on any goods by reference to their value, the actual price, that is, the price actually paid or payable, or the nearest ascertainable equivalent of such price, at which such or like goods are ordinarily sold, or offered for sale, for delivery at the time and place of importation or exportation, as the case may be, in course of international trade under fully competitive conditions, where the seller and the buyer have no interest in the business of each other and the price is the sole consideration for sale or offer for sale, shall be the value [Section 25(1)].
2. Subject to the provisions of sub-section (1), the price referred to in that sub-section in respect of imported goods shall be determined in accordance with the rules made in this behalf i.e. as per the provisions of the Customs valuation (Fixing the price of Imported goods) Rules, 2000 [Section 25(2)].
3. Notwithstanding anything contained in this section, the Government may, by notification in the official Gazette, fix, for the purpose of levying customs duties, tariff values or minimum values for any goods imported or exported as chargeable with customs-duty ad valorem. Provided that any imported or exported goods, the declared value of which is higher than its tariff value fixed under this sub-section, shall be chargeable with customs duties on the basis of its declared value [u/s 25(3)].
4. For the purposes of sub-section (1)-
 - (a) the value of any goods shall include the freight, insurance, commission and all other costs, charges and expenses incidental to the sale and delivery at the place of importation or exportation; and
 - (b) the Board may, by notification in the official Gazette, fix the freight for the transportation of any goods or class of goods by aircraft that are delivered or could have been delivered at a Customs airport to the buyer.

23.11.2 Fixing the Price of Imported Goods:

The procedures of valuation of imported goods for levying customs duties as done in accordance to the following provisions of the Customs valuation (Fixing the price of Imported goods) Rules, 2000. The provisions regarding the valuation procedure are:

1. **Transaction value method [Rule – 3 and 4]:**
 - (a) Generally the value of the imported goods will be the transaction value.
 - (b) If transaction value cannot be determined, the valuation will be done as per Rule – 5, 6, 7, 8 or 9
 - (c) Provided that, subject to the application of the importer and approval of the Commissioner of Customs, provisions of the Rule 7 or 8 can be followed at a reverse sequence.

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- (d) In order to compute the transaction value the following costs would be added with the actual acquisition price paid or payable for import:
- ❖ Freight cost (not exceeding 20% of the FOB price, as the case may be)
 - ❖ Loading, unloading and handling charges for the goods, and
 - ❖ Insurance cost (not exceeding 20% of the FOB price)
2. **Transaction value of identical goods [Rule – 5]:** Where custom valuation is not possible as per Rule 4, the value of the imported goods will be the transaction value of identical goods during the same period.
 3. **Transaction value of similar goods [Rule – 6]:** Where custom valuation is not possible as per Rule 4 and 5, the value of the imported goods will be the transaction value of similar goods during the same period.
 4. **Deductive value [Rule – 7]:**
 - (a) Where custom valuation is not possible as per Rule 4, 5 and 6, the value of the imported goods will be made under deductive value method. Here, deductive value is calculated as: Highest unit price of imported similar or identical goods by person not related to the seller, less: related commission, profit and other general charges, freight inward, insurance and other related cost, customs duty, tax and other charges.
 - (b) If there are no identical or similar goods available at the time of valuation of imported goods, the deductive valuation will be based on the price of the similar or identical goods first imported within next 90 days;
 - (c) If the imported / identical / similar goods are not sold in the same form they were imported then the cost of value addition will be deducted from the highest unit price.
 5. **Computed value [Rule–8]:** Where custom valuation is not possible as per Rule 4, 5, 6 & 7, the imported goods will be valued adding the following costs:
 - (i) Cost of production of the imported goods or cost of inputs and related processing and other costs;
 - (ii) Average rate of profit of identical or similar goods in the exporting country;
 - (iii) Freight cost (not exceeding 20% of the FOB price, as the case may be);
 - (iv) Loading, unloading and handling charges for the goods, and
 - (v) Insurance cost (not exceeding 20% of the FOB price).
 6. **Other methods [Rule – 9(1)]:** Where custom valuation is not possible as per Rule 4, 5, 6, 7 and 8, the value of the imported goods will be made on the basis of any other methods in compatible with the Section 25(1) of the Customs Act, 1969.
 7. **Restriction of using certain prices in the valuation process [Rule – 9(2)]:** The following prices cannot be used as the base to compute the value of the imported goods:
 - (a) The selling price in Bangladesh, of the goods produced in Bangladesh;
 - (b) The highest one of the two alternative prices relevant for the valuation;
 - (c) The local price in the exporting country;
 - (d) Any other cost of production which is not the computed value per Rule 8;
 - (e) The export price to the countries other than Bangladesh;
 - (f) Minimum dutiable value.
 8. **Costs and Services [Rule – 10]:** The following costs will be added with the price paid or payable for the imported goods to determine the value:
 - (a) The buyer's proportion of the cost not included in the price:

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- (i) Brokerage other than any buying commission;
- (ii) Cost of packing
- (iii) Cost of the container keeping in which the goods are provided for the valuation;
- (b) Cost incurred by the buyer for the goods imported for export, not included in the price:
 - (i) Cost of materials or resources added in the imported goods;
 - (ii) Cost of machineries, dice mold or other items used for the value addition through the production process for the imported goods;
 - (iii) Cost of ingredients added in the imported goods during the production process;
 - (iv) Cost of engineering, R & D, Art, design, planning and sketch;
- (c) Cost of royalty or license fee paid by the buyer;
- (d) The proportion of earnings earned by the seller from the sale, transfer or use of goods imported for further export;
- (e) Amount paid to the seller or any third party as a part of sale.

How to compute the price of imported goods for the purposes of sub-section (1):

Normal Price = CIF Value (cost, insurance and freight value)
 = Total costs up to the customs-port, airport, station or place in Bangladesh
 = Export price for the exporter in the foreign country

Add: Freight, insurance, brokerage and commission and all other costs, charges and expenses incidental to the sale and delivery of the goods at the customs-port, customs-airport or land customs-station in Bangladesh where the goods brought to unloading

23.12 DATE FOR DETERMINATION OF RATE OF DUTY, VALUE AND EXCHANGE RATE FOR IMPORTED GOODS [U/S – 30]

The date for determination of the value of imported goods and rate of import duty will be:

Situation	Date for determination of the value and rate of import duty
In the case of goods cleared for home consumption u/s 79	Date on which a bill of entry is prescribed u/s 79 (but if the bill of entry is presented in anticipation of arrival of a conveyance by which the goods are imported, the relevant date will be the date on which manifest of the conveyance is delivered after its arrival).
In the case of goods cleared for a warehouse for home consumption u/s 104	Date on which the goods are actually removed from the warehouse.
In the case of any other goods	Date of payment of duty.

23.13 DATE FOR DETERMINATION OF EXPORT DUTY [U/S – 31]

The rate of duty applicable to and the rate of exchange for computation of the value of any goods exported shall be the rate of duty and the rate of exchange prevailing on the date of the delivery of the bill of export. Provided that where the export of any goods is permitted without a bill of export or in anticipation of the delivery of such a bill, the relevant date will be the date on which loading of the goods on the outgoing conveyance commences.

23.14 ASSESSMENT

Section 80 and 81 of the Customs Act, 1969 enumerates the customs duty assessment procedure:

23.14.1 Assessment of duty [U/S - 80]:

1. On the delivery or electronic transmission of such bill, the goods or such part thereof as may be necessary may, without undue delay, be examined or tested in the presence of the owner or his agent, unless due to any exceptional circumstance such presence cannot be allowed and thereafter the goods shall be assessed to duty, if any, and the owner of such goods may then proceed to clear the same for home-consumption or warehouse them, subject to the provisions hereinafter contained.
2. Notwithstanding anything contained in sub-section (1), imported goods prior to examination or testing thereof may be permitted by the appropriate officer to be assessed to duty on the basis of the statements made in the bill relating thereto and the information furnished under the rules and the documents produced under section 26; but if it is found subsequently on examination or testing of the goods or otherwise that any statement in such bill or document or any information so furnished is not correct in respect of any matter relating to the assessment, the goods shall, without prejudice to any other action which may be taken under this Act, be re-assessed to duty.
3. Subject to the guidelines, if any, given by the Board from time to time, the Commissioner of Customs or any other Customs officer authorized by him in this behalf may clear any goods or class of goods imported by an importer or a class of importers without examination and testing of the goods, wholly or partly under sub-section (1).
4. Upon delivery or transmission of the bill of entry for the goods cleared or to be cleared under sub-section (3) the duty shall be deemed to have been duly assessed for the purposes of this section. Provided that where the appropriate officer has reason to believe that in case of any bill of entry re-assessment is necessary, he may, by recording reasons in writing re-assess the duty payable for the goods and take such other actions as he may deem fit under this Act.

23.14.2 Provisional assessment of duty [U/S - 81]:

1. Where it is not possible immediately to assess the customs-duty that may be payable on any imported goods entered for home-consumption or for warehousing or for clearance from a warehouse for home-consumption or on any goods entered for exportation, for the reason that the goods require chemical or other test or a further enquiry for purposes of assessment, or that all the documents or complete documents or full information pertaining to those goods have not been furnished, an officer not below the rank of Assistant Commissioner of Customs may order that the duty payable on such goods be assessed provisionally.
2. Where any goods are allowed to be cleared or delivered on the basis of such provisional assessment, the amount of duty actually payable on those goods shall, within a period of one hundred and twenty working days from the date of the provisional assessment, where there is a case pending at any court, tribunal or appellate authority, from the date of receipt of the final disposal order of that case, be finally assessed and on completion of such assessment the appropriate officer shall order that the amount already or guaranteed be adjusted against the amount payable on the basis of final assessment, and the difference between them shall be paid

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forthwith to or by the importer or exporter as the case may be. Under exceptional circumstances the Board may extend the period of final assessment specified under this sub-section.

23.14.3 Amendment of Assessment [U/S - 83A]:

1. An officer of Customs not below the rank of an Assistant Commissioner of Customs may from time to time make or cause to be made such amendments to an assessment of duty or to the value taken for the purpose of assessment of duty as he thinks necessary in order to ensure the correctness of the assessment even though the goods to which the value or the duty relates have already passed out of Customs control or the duty originally assessed has been paid.
2. If the amendment has the effect of imposing a fresh liability or enhancing an existing liability, a demand notice of thirty days in writing shall be given by the officer of Customs to the person liable for the duty.

23.14.4 Limitation of Time for amendment assessments [U/S – 83B]:

- a. Where an assessment of duty has been made under this Act, the officer of Customs is not entitled to increase the amount of the assessment after the expiration of three years from the date on which the original assessment was made.
- b. Notwithstanding sub-section (1) of this section, in any case where the entry or any declaration made in relation to the goods was fraudulent or willfully misleading; the officer of Customs may amend the assessment at any time so as to increase the amount of the assessment.

23.15 PREVENTION OF SMUGGLING, POWERS OF SEARCH, SEIZURE ETC.

23.15.1 Power to Search [Section 158, 159 and 160]:

An appropriate officer of Customs may search any person if he has reason to believe that the person is carrying goods liable to confiscation. The person who has landed from or is on board or is about to board a vessel within the Bangladesh customs-waters, or if he has alighted from or is about to get into or is in any other conveyance arriving in or proceeding from Bangladesh, or if he is entering or about to leave Bangladesh, or if he is within the limits of any customs-area, may be searched in this regard [U/S – 158]. The Searching officer of Customs shall inform the person about his right to be taken to a gazetted officer of Customs or Magistrate. If it is found that there is no reasonable ground for search, the person would be discharged from any search or else the search would be made in the presence of two or more persons and witness. A female can be searched by female only [U/S-159]. If the searching officer has reason to believe that any person has any goods liable to confiscation secreted inside his body, he may detain such person and produce him to a qualified radiologist for X-Raying his body [U/S – 160]. In all the above cases, a seizure list would be prepared by the concerned Customs Authority for future reference.

23.15.2 Power to arrest [U/S – 60]:

Any authorized Customs officer or any person duly empowered for the prevention of smuggling who has reason to believe that any person has committed an offence under this Act may arrest such person.

23.15.3 Power to Stop and Search Conveyance [U/S – 164]:

Where the appropriate officer has reason to believe that within the territories of Bangladesh (including territorial waters) any conveyance has been, is being, or is about to

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be, used in the smuggling of any goods or in the carriage of any smuggled goods, he may at any time stop any such conveyance or, in the case of an aircraft, compel it to land and can use any lawful means for stopping it or preventing it escape including, if all other means fail, firing upon it.

23.15.4 Seizure of things liable to Confiscation [U/S - 168]:

The appropriate officer may seize any goods liable to confiscation under this Act, and where it is not practicable to seize any such goods, he may serve on the owner of the goods or any person holding them in his possession or charge an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer. The may also seize any documents or things which in his opinion will be useful as evidence in any proceeding under this Act.

23.16 OFFENCES AND PENALTIES (U/S - 156]

Whoever commits any offence shall, in addition to and not in derogation of any punishment to which he may be liable under any other law, be liable to the punishment mentioned against that offence as per section 156. Under this section various penalty measures of 98 types of offences are enumerated. The details of this section may be found in the NBR website <http://www.nbr.gov.bd/contents/act/7.pdf>.

23.17 ALTERNATIVE DISPUTE RESOLUTION

To ease the customs related dispute settlement, the provisions of Alternative Dispute Resolution has been introduced through the inclusion of a new chapter in the Customs Act, 1969 (Chapter XVIII A) by the Finance Act, 2011. Notwithstanding anything contained in Customs Act any dispute of an importer or exporter lying with any customs authority or customs and VAT appellate authority may be resolved through Alternative Dispute Resolution (hereinafter referred to as ADR) in the manner described in the following sections of this Chapter and rules made thereunder [Section 192 A]. The basic features under this chapter are discussed below in brief:

23.17.1 Commencement of ADR Process [Section 192 B]: The ADR as mentioned in this Chapter shall come into force on such date and in such class or classes of assesses as the Board may determine by notification in the official Gazette.

23.17.2 Definition and Scope of Disputes for ADR [Section 192 C]: For the purposes of this chapter, "dispute" means-

(a) any case or proceeding-

- i. of levy, assessment, collection or refund of duty and taxes or, for imposition of fine or penalty in relation to the determination of customs valuation under section 25 of any imported consignment;
- ii. pending before any customs authority or any appellate authority constituted under this Act, or the Supreme Court of Bangladesh; and
- iii. penalty related pending disputes including those of customs classification under mandatory pre-shipment inspection system.

(b) any case or proceeding pending before customs or customs appellate authority or the Supreme Court of Bangladesh relating to fine or penalty imposed by customs authorities in respect of any matter of clean report of findings (CRF) or customs valuation, arising out of either the pre-shipment inspection system or otherwise.

Notwithstanding anything contained in above section, the following disputes shall not be dealt with ADR, namely:

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- (i) fraud or criminal cases;
- (ii) disputes involving seizure and confiscation of prohibited, restricted or smuggled goods;
- (iii) disputes involving allegations of money laundering;
- (iv) disputes involving customs classification of imported goods except disputes related to customs classification and penalty thereof, pending under mandatory pre-shipment inspection system; and
- (v) disputes on alleged evasion of duties and taxes through the resort to misdeclaration of H.S.Code, name and quantity of goods, fraud of documents, violation of import and export policy or violations of customs bonded warehouse related licensing and/or bond related conditions.

23.17.3 Appointment of Facilitator and duties of the parties concerned [Section 192 D]: For the purposes of resolving a dispute in an alternative way, the Board may select or appoint Facilitator and determine his duties and responsibilities by rules.

23.17.4 Application for ADR [Section 192 E]: For ADR of a dispute, the concerned importer / exporter may apply to the following authorities:

- (a) for a dispute which was created and not already been adjudicated or settled before the commencement of the ADR process, the application is to be submitted in prescribed form and manner, to the concerned Commissioner of Customs or adjudicating officer or Appellate authorities, as the case may be;
- (b) for a dispute which arises after the commencement of the ADR process, the application is to be made before seeking or trying for settlement of the said dispute under sections 179, 193 or 196 as the case may be, of this Act, to the concerned Commissioner of Customs or adjudicating officer, as the case may be, in the prescribed manner, within ten working days from the date of issue of the concerned show cause notice or assessment order, or demand notice, as the case may be; and
- (c) for an application on a matter suitable for ADR which is pending before the Supreme Court of Bangladesh, the concerned petitioner, if he so desires, may apply to the concerned Commissioner of Customs for ADR, after obtaining permission from the said court, and upon granting of such permission by the court the matter shall remain stayed during the period of ADR process:

Provided that, if the court disposes any such writ petition with directions to any of the above authorities to settle the matter through ADR, then the authority shall settle the case accordingly, if not otherwise barred by law.

23.17.5 Processing and Disposal of Applications for ADR [Section 192F]: Applications received from the aggrieved importer or exporter for ADR within this chapter, is to be processed and disposed of, according to the rules.

23.17.6 Duration of Negotiation and Resolution [Section 192G]: When an application is submitted for ADR, all formalities including the negotiation and agreement or disagreement or resolution is to be completed in a period of maximum thirty working days from the date of submission of the application. If the application is submitted to the Commissioner Appeal or Customs and VAT Appellate Tribunal or any court, the period is sixty days.

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23.17.7 Decision of the ADR [Section 192H]: The provisions are as follows:

1. A dispute may be resolved by an agreement either wholly or in part where both the parties of the dispute accept the points for determination of the facts or laws applicable in the dispute.
2. Where an agreement is reached, either wholly or in part, between the applicant and the Commissioner of Custom's Representative, the Facilitator shall record, in writing, the details of the agreement in the manner as may be prescribed and communicate the decision to the concerned parties and the Board within 7 working days of the conclusion of the 30 or 60 days period, as the case may be.
3. The recording of every such agreement shall describe the terms of the agreement including any tax payable or refundable and any other necessary and appropriate matter, and the manner in which any sums due under the agreement shall be paid and such other matters as the Facilitator may think fit to make the agreement effective.
4. The agreement shall be signed by the applicant-importer or exporter, Commissioner's Representative and the facilitator.
5. The agreement shall be void if it is subsequently found that it has been concluded by fraud or misrepresentation of facts.
6. Where no agreement, whether wholly or in part, is reached, the facilitator shall communicate about such unsuccessful dispute resolution in writing to the applicant, the concerned commissioner and the Board within prescribed period and manner, as the case may be.
7. Where the agreement is reached and communicated as provided herein, the usual process of recovery of dues, if any, payable to the Government or refund of money to the importer or exporter or any other necessary action shall proceed in accordance with the applicable provisions of the applicable laws.

23.17.8 Effects of Agreement or Resolution [Section 192I]: The provisions are as follows:

1. Notwithstanding anything contained in any provision Customs Act, where an agreement is reached for ADR, it shall be binding on both the parties and it cannot be challenged in any appellate forum or court either by the applicant or by the customs authorities.
2. Every agreement, passed under this chapter shall be conclusive as to the matters stated therein and no matter covered by such agreement shall, save as otherwise provided in this chapter, be reopened in any proceeding under this Act or any other law.
3. If the dues, payable as per agreement is not paid and if the same including any penalty or interest for default in making payment of such sum, is not paid within one year, such sum may be recovered as sums due to the government in accordance with the provisions under section 202 of this Act.

23.17.9 Limitation for Appeal where Agreement is not concluded [Section 192J]: The provisions are as follows:

1. Notwithstanding anything contained in any other provisions of this Act, where an agreement is not concluded wholly or in part, the aggrieved importer or exporter may, after completion of adjudication process, if pending, prefer an appeal to the respective appellate authorities on the unresolved issue.

2. Where a dispute under appeal, an application for ADR is made but agreement could not have been concluded within the period mentioned in section 192G or negotiation ended in disagreement, the ADR process shall automatically stand terminated and the original appeal shall be deemed to have been revived before the concerned appellate authority including any court from the day immediately after the date the ADR process stands terminated and provisions contained in respective sections of the respective law shall, so far as may be, apply accordingly.
3. In computing the period of limitations for filing appeal, the time elapsed between the filing of the application and the communication of the decision or order of the ADR by the facilitators to all the parties shall be excluded.

23.17.10 Bar on suit or prosecution [Section 192K]: No civil or criminal action shall lie against any person involved in the ADR process before any court, tribunal or authority for any action taken or agreement reached in good faith.

23.18 TRAVEL TAX

In Bangladesh, travel tax is levied as per Section 3 of the Travel Tax Act, 2003. The relevant provisions applicable to impose travel tax are as follows:

23.18.1 Rate of Travel Tax [U/S – 3] [SRO 159/Law/Travel/2014 dated June 26, 2014]:

1. Travel tax is collected from a passenger who travels from Bangladesh to any country by air, land or sea.
2. The Government may, by rules, prescribe the rate of Travel Tax.
3. Travel Tax is to be levied and collected from each passenger at rate mentioned below effective from July 01, 2014:-

Travel through Air:

- (a) Tk. 4,000, in case of travel to any country in North America, South America, Europe, Africa, Australia, New Zealand, China, Japan, Hongkong, North Korea, South Korea, Vietnam, Laos, Cambodia and Taiwan;
- (b) Tk. 1,200, in case of travel to any SAARC country by air;
- (c) Tk. 3,000, in case of travel to any country except countries mentioned in sub-clauses (a) and (b) by air;

Travel through Water:

- (a) Tk. 800, in case of travel to any country through sea/water; and

Travel through land:

- (a) Tk. 500, in case of travel to any country by sea;

4. Producer for collection of travel Tax shall be prescribed by regulations.
5. Tax collected in accordance with the procedure under sub-section (4) shall be deposited to the government Treasury within the prescribed time.
6. Where any person or organization, responsible for collection of Travel Tax fails to deposit the Travel Tax so collected to the Government Treasury within the prescribed time, an amount equal to the amount which he or it fails to deposit to the Government Treasury, and in addition an interest at the rate of two percent per month of such tax, shall be collected from such or organization.

23.18.2 Exemption from Travel tax [U/S – 4]:

The Government may, by notification in the official Gazette, exempt any person or class of persons from Travel Tax payable under this Act. Notwithstanding anything contained in

section 3, the following passengers be exempted from travel Tax payable under this Act, namely:- (a) Child; (b) Patient suffering from Cancer; (c) Blind person; (d) Invalid person with stretcher cases; (e) Airlines crew on duty; (f) Members of the diplomatic mission in Bangladesh holding diplomatic status and the members of their family; (g) Officials of the United Nations and the members of their family; (h) Any person traveling to Saudi Arabia for Hajj and Umrah; (i) Transit passengers without Bangladesh VISA who shall not stay in Bangladesh for more than seventy two hours; and

23.19 EXCISE DUTY

Excise Duty is a tax on goods produced inland. It is a tool of government revenue collection. The government can use it with the motive of 'income distribution' or for implementing the benefit principle of taxation i.e., collection of funds through excise on particular products (like Tobacco) and using the funds for assisting people affected by consumption of that product. Excise duty is also imposed to discourage the consumption of certain so-called 'undesirable' commodities (e.g., liquor and tobacco) or to control or ration the consumption of certain commodities in times of external scarcity (such as in wartime) or inflationary pressure.

Excise duty is imposed in Bangladesh under the Excise and Salt Act 1944 (Act I of 1944) enacted on 24 February 1944. This law was introduced to levy and collect excise duties on salt and on goods manufactured or produced in the sovereign territory of the country. Before introducing Value Added Tax (VAT) in July 1991, the excise constituted the second largest source of revenue for the government (about 22% of total revenue). But VAT had reduced the tax-coverage of excise duty to a minimum. Excise duty is collected by the Customs, Excise and VAT wing of the NBR. The services subject to excise duty are listed in the Part II of the First Schedule of the Excise and Salt Act 1944 and their list includes services rendered by Bank or Financial Institution and Airline.

23.19.1 Rates of Excise Duty:

The rates of excise duty applicable for the assessment year 2015-16 are as follows:

Service Code	Description of Services	Rate of Duty
E032.00	Services Rendered by Bank or Financial institutes:	
	(a) If the balance (Debit / Credit) does not exceed Tk. 20,000, at any time during a year.	Nil
	(b) If the balance (Debit / Credit) exceeds Tk. 20,000 but does not exceed Tk. 100,000	Tk. 150 per account per year
	(c) If the balance (Debit / Credit) exceeds Tk. 1 Lakh but does not exceed Tk. 10 lakh	Tk. 500 per account per year
	(d) If the balance (Debit / Credit) exceeds Tk. 10 lakh but does not exceed Tk. 1 crore	Tk. 1,500 per account per year
	(e) If the balance (Debit / Credit) exceeds Tk. 1 crore but does not exceed Tk. 5 crore	Tk. 7,500 per account per year
	(f) If the balance (Debit / Credit) exceeds Tk. 5 crore	Tk. 15,000 per account per year
E033.00	Services Rendered by Airline	
	(a) Services rendered by airline through issuing a domestic "Airline Ticket per Seat" for single journey, which may involve one or more	Tk. 500

stops over on its way to ultimate airport of destination

- | | |
|---|---|
| <p>(b) Services rendered by airline through issuing an international "Airline Ticket per Seat" for single journey, which may involve a connecting flight from a domestic airport.</p> | <p>(i) For SAARC countries Tk. 500
 (ii) For other Asian countries Tk. 1,000
 (iii) For Europe, USA and rest of the World Tk. 1,500</p> |
| <p>(c) Foreign national of Diplomatic class, showing his/her diplomatic passport at the Airline Ticket counter and check-in counter.</p> | <p>Nil</p> |

Ref: SRO No. – 129-AIN/2015/314-Excise dated June 04, 2015 and Finance Act - 2015.

Note: (1) The above mentioned excise duty will be exempted for bank accounts opened by farmer^s depositing Tk. 10; provided that the balance of the account does not exceed Tk. 100,000, at any time during the year under SRO No. – 401-AIN/2010/308-Excise dated 22.12.10 (2) The above mentioned excise duty will be exempted for gazetted wounded freedom fighters if they travel in bothe domestic and international route^s by Biman Bangladesh Airlines Limited under SRO No. – 130-AIN/2015/314-Excise dated June 04, 2015

23.20 BAGGAGE RULES

In Bangladesh, for non-tourist passengers the applicable baggage rules is named as the Non-tourist passenger (incoming) Baggage rules, 2016 (SRO No. 164/AIN/2016/26/Customs dated 02/06/2016). The relevant provisions Baggage Rules are:

1. Any item brought as Baggage, but not falling in the category of personal and household effects is subject to the payment to the custom duty; value added tax and supplementary duty.
2. If any passenger doesn't carry any dutiable goods, he can use green channel (if any) to enter.
3. All passengers coming from abroad must fill up Schedule 1 form to declare the nature of baggage.
4. Baggage of any Bangladeshi citizen died abroad will be exempted from any duties.
5. A passenger may import as baggage some items on payment or fixed amount as customs duty, value added tax and supplementary duty.
6. A passenger can import unaccompanied baggage once in a calendar year.

23.20.1 Duty Incentives for Passengers:

Duty incentives for passengers arriving by air or sea:

1. Any passenger (aged 12 years or above) arriving by air or sea carrying with him/her any handbag, cabin bag, or other means of baggage weighting not exceeding 65 kg shall be exempted from customs, value added and supplementary duty.
2. However, in addition to above mentioned baggage, weighting not exceeding 35 kg containing books, magazines, personal and household effects, study related materials and educational items can also be cleared duty-free.
3. Unaccompanied baggage fulfilling the above conditions can also be cleared duty free subject to its declaration in Schedule 1 Form. A photocopy of the Declaration Form must be submitted to the concerned Customs Officer in this regard.

4. Any passenger can import one piece item (in case of mobile phone – two) each mentioned in Schedule 3 and Schedule 2, paying the specific amount of tax and duty mentioned in the schedule.
5. Any foreign national can import up to 1 liter of spiritual beverage that is spirits, wines, beer without custom duty.
6. Any passenger, not importing any product listed in Schedule 2 and 3, can purchase those declaring it in Schedule 4 within 7 days of his/her arrival.
7. A passenger may import the machinery or equipments used by him for his profession which can be carried easily without custom duty.
8. A passenger may import gold ornaments upto 100 gram or silver ornaments upto 200 gram without custom duty (maximum 12 items of same design / category).
9. A passenger may import solid gold/ silver bar upto 234 gram subject to the payment of custom duty.

Duty incentives for passengers arriving by road:

Any passenger irrespective of his time of staying in abroad, can import maximum \$400 (four hundred) worth baggage without paying any customs duty.

Duty incentives for sick or disable passengers:

Medical equipments and wheel chair used for any sick / disable /old passenger arriving by air or sea or land can be imported without paying any customs duty.

Duty incentives for crews, sailors and others:

1. Any crew or official, working in any Bangladeshi Airlines or in any foreign airlines that operates in any Bangladeshi Airport, can import maximum \$300 (three hundred) worth baggage without paying any customs duty.
2. Any Bangladeshi sailor or official of ship coming from any foreign seaport can import maximum \$300 (three hundred) worth baggage without paying any customs duty. But if the sailor signs off than he can import maximum \$2,000 (two thousand) worth baggage on payment of relevant customs duty.
3. Any driver and steward (helper/assistant) of passenger buses coming from abroad can import their personal belongings (wearing apparel, bed & cooked food) and maximum \$50 (fifty) worth baggage without paying any customs duty

23.20.2 Taxable baggage Items (Schedule -2):

1. Import goods, other than personal and household items are taxable.
2. Any baggage imported in excess of duty free limit.
3. Imported items that are used for commercial purpose are taxable.
4. The following tax will be applicable in case of import baggage's even if they are used for household or personal purpose:

Sl.	Nature of Goods	Duty/tax amount (Tk.)
1	Plasma, LCD, TFT, LED and Similar nature Television:	
	(a) 22" – 29"	5,000
	(b) 30" – 36"	10,000
	(c) 37" – 42"	20,000
	(d) 43" – 46"	30,000
	(e) 47" – 52"	50,000
	(f) 53" and above	70,000

2	Music Center accompanying with more than 4 but maximum 8 speakers, Home Theater (CD/VCD/DVD/LD/MD/Blue Ray Disc Set)	8,000
3	Refrigerator / Deep Freezer	5,000
4	Air Cooler / Air Conditioner:	
	(a) Window type	7,000
	(b) Split type upto 18,000 BTU	15,000
	(c) Split type above 18,000 BTU	20,000
5	Dish Antenna	7,000
6	Gold bar (Maximum 234 gram)	3,000 per 11.664 gram
7	Silver bar (Maximum 234 gram)	6 per 11.664 gram
8	HD Cam, DV Cam, BETA cam or any camera used for professional purpose	15,000
9	Air Gun/Air Rifle (Imported with the permission of Ministry of Commerce)	5,000
10	Jharbati (Chandelier/Candelabrum)	300 per point
11	Carpet upto 15 Sq. metre	150 per sq.m
12	Dish Washer/Washing Machine/ Cloth Dryer	3,000

23.20.3 Duty free Baggage Items (Schedule 3):

1. Cassette Player/Twin one;
2. Discman / Walkman (Audio);
3. Portable Audio CD Player;
4. Desktop/Laptop Computer (including one UPS);
5. Computer scanner;
6. Computer Printer;
7. Fax machine;
8. Video Camera (excluding HD/DV/BETA Cam or camera for professional use);
9. Still camera / Digital camera;
10. Ordinary/Pushbutton/Cordless Telephone Set;
11. Ordinary/Electric/Microwave Oven;
12. Rice Cooker/Pressure Cooker/ Gas Oven (with burner);
13. Toaster/Sandwich maker/Blender/Food processor/Juicer/Coffee maker
14. General and Electric typewriter
15. Household Sewing Machine (manual / electric);
16. Table/Pedestal/household Ceiling fan;
17. Sports wear/material (for using personal purpose);
18. 100 grams gold or 200 grams silver ornaments (Not more than 12 pcs of each item);
19. One Cartoon Cigarette (200 stick);
20. Upto 21" Plasma, LCD, TFT, LED and Similar nature Television and Upto 29" Black & White or Color CRT Television;
21. VCR/VCP;
22. Ordinary CD and Double Speaker Music Centre (CD/VCD/DVD/LD/MD Set);
23. Four Speaker Music Centre (CD/VCD/DVD/LD/MD/Blue Ray Disc Player);
24. Upto 19" LCD Computer Monitor (with/without TV output);
25. Two Mobile / Cellular Phone Set.

23.21 NARCOTICS DUTY

We had no adequate and enabling law in the eighties to handle the sordid condition created by drug abuse and the related issues. All that we had at that time were some colonial laws (the Opium Act, 1878, the Excise Act 1909, the Dangerous Drugs Act 1930, the Opium Smoking Act 1932 and the Prohibition Rules, 1950) inherited from the British and Pakistan period. These laws were intended and designed for earning government revenues through excise levying activities. These laws, however, proved to be inadequate to suit the needs of the time. The Government of the People's Republic of Bangladesh enacted the **Narcotics Control Act in 1990** repealing all the colonial laws with a view to encountering drug problem true to the aspiration of our society.

23.21.1 The Narcotics Control Act 1990:

The Narcotics Control Act, 1990 was passed in 1990 by repealing all previous laws for control of narcotics, treatment and rehabilitation of drug addicts. The government has enacted the Act of 1990 as amended in 2000, 2002 and 2004 in order to update the law.

Features of the Narcotics Control Act 1990:

The Narcotics Control Act, 1990 (as amended in 2000, 2002 and 2004) has got the following salient features reflecting the growing needs for effective encounter against drug smuggling on the one hand and corroborating on the other the international efforts to contain this problem.

1. The Narcotics Control Act, 1990 came into force on 2nd January, 1990.
2. It is a special law having predominance over other laws in respect of its ambit and jurisdiction on drugs and drug related issues.
3. Interception of illicit drug trafficking through law enforcement, control of narcotic drugs and psychotropic substances used in medical, industrial and scientific purposes coupled with treatment and rehabilitation of the drug addicts underlie the propriety of this law.
4. It provides legal coverage for establishment of the Department of Narcotics Control (DNC) as the Nodal Agency of the government to fulfill the objectives of the law in question. It also provides the legal basis for formation of the National Narcotics Control Board (NNCB) as the highest policy-making body of the government for formulating necessary policies and strategies to combat drug problem in the country.
5. This Act of 1990 empowers not only the Department of Narcotics Control but also the other agencies of the government like the Police, the BDR (the border security force), the Customs and the Coastguard for drug enforcement activities.
6. The law provides for mutual cooperation among the different law enforcement agencies as and when required for conduct of search, seizure and arrests.
7. The law introduces an effective licensing system for controlling import, export, manufacturing, processing, distribution, sale, transport, possession and use of licit narcotic drugs, psychotropic substances and precursor chemicals. The Narcotics Control Rules, 1999 is the legal instrument for carrying out the licensing provisions enshrined in the law.
8. This law prescribes deterrent punishment for various categories of drug offences as well as for breach of the conditions of the licenses issued under the law.
9. The law prescribes the highest penalty of death sentence for the offenders accused of possessing either heroin or cocaine or cocaine derivatives exceeding the quantity of 25 grams. Similarly the illegal possession of pethidine or morphine or possession of tetra-hydro-cannabinol exceeding the quantity of 10 grams renders the offender or

offenders concerned liable to death sentence or life-long imprisonment. Death sentence has also been prescribed for certain other drug offences of serious nature (Section 19 of the law).

10. The law takes the wisdom of the three major UN Conventions and the SAARC Convention on narcotic drugs and psychotropic substances particularly in regard to forfeiture of sale proceeds of illegal drug business, freezing of bank accounts and properties, sending of juvenile offenders to the correction centre in lieu of imprisonment, inclusion of the controlled delivery technique, compulsory maintenance of accounts of licit drugs by the license holders, incorporation of the 22 precursor chemicals and so on.
11. The law provides the legal basis for the Chemical Laboratory of the Department of Narcotics Control and its proper functioning in respect of forensic analysis of all seized drugs and suspicious substances. This lab, established in Dhaka, caters to the needs of all the agencies charged with the responsibilities of drug enforcement and thereby it plays an important role in quick disposal of drug cases under trial.
12. The amendment of 2000 to the law brings about the government first foray into the control of precursor chemicals from drug control point of view.
13. An amendment of 2002 has introduced the minimum time limit of 15 days for completion of investigation of drug cases filed under this law.
14. Another amendment in 2004 redefines alcohol by reducing the lowest limit of alcoholic strength from 5% to only 0.5%. Any liquid preparation containing more than 0.5% alcohol shall fall within the purview of the law. This amendment is intended for safeguarding our young generations from the clutches of the so called energy (alcoholic) drinks and their bad impacts.
15. The law has got 61 Sections in all. It has got two Schedules of which the first schedule lists the narcotic drugs and psychotropic substances including the 22 precursor chemicals. The second schedule on the other hand lays down the rates of excise duties to be imposed on the domestically produced liquor and alcoholic spirit.
16. The law is a unique combination of legal provisions comprising violation sections, penal sections, hybrid sections (prescribing violation and punishment together), modus operandi sections and administrative sections.
17. Adorned with the foregoing features, the Narcotics Control Act. 1990 (as amended in 2000, 2002 and 2004) stands to be adequate and enabling enough to meet the challenge of the time.

23.21.2 Narcotics [Section 2(j)]:

“Narcotics” means any narcotic drugs or psychotropic substances or any other substance mentioned in the First Schedule or declared as narcotics through government gazette notification.

23.21.3 Classification of Narcotics [Section 2(m) & Schedule 1]:

According to Section 2(m) of the NC Act, 1990, narcotics can be classified into:

1. A – Class Narcotics; 2. B – Class Narcotics; and 3. C - Class narcotics.

Class	Nature of Narcotics
A	<ol style="list-style-type: none"> 1. Opium poppy or any glutinous substance coming out it. 2. Any refined, unrefined or manufactured Opium or any articles produced with Opium. 3. Any articles containing more than 0.2 percent of Morphine.

-
4. Opium derivatives – viz.. Morphine, Codeine, Heroine, Buprenorphine, Thebaine, Noscapaine, Narcotine, Papavarine etc. and their alkaloids.
 5. Any synthetic or artificially manufactured narcotics which is similar to Pethidine, Meperdine, Methadone, Dextromoramide, Dihydrocodeine, Meperdine Fentanyl, Pentazocaine, Hydromorphone, Omnopone, Alphaprodine, Demeral, Oxycodone, Etrophine, Lofentanyl, alfentanyl, Alphamethyl Fentanyl, 3-Methyl Fentanyl, Asscetrophine, Acetylmethadol, Alphacetyl methadol, Betaprodine etc.
 6. Coca leaf, Cocaine or Coca derivatives.
- A**
7. Any article containing more than 0.1 percent of cocaine or any alkaloid of cocaine.
 8. Tetrahydrocannabinol in any form, cannabis resin or Charas or Hashish etc.
 9. Ephedrine, Ergometrine, Ergotamine, Lysergic acid, !-phenyl-2-propanone, Pseudoephedrone, N-Acetyl anthranilic acid, Isosafrole, 3,4-methyl enedioxyphenyl-2-Propanone, Piperonal, safrole, Acetic Anhydride, Acetone, Anthranilic Acid, Ethyl Ether, Phenylacetic Acid, Piperidine, Hydrochloric Acid, Methyl-Ethyl-Ketone, Potassium Permanganate, Sulphuric Acid, Toluene.
 10. Mescaline.
-
1. Hemo plant, Herbal Cannabis, Bhang, Bhang Plant or any article manufactured in combination with Herbal cannabis or Bhang.
 2. Any other plants (except tobacco) which may be used as a source of narcotics.
 3. Alcohol, all kinds of wine and liquor, rectified spirit, any medicine or liquid manufactured with rectified spirit, beer or any liquid containing more than 0.5% alcohol.
- B**
4. LSD or any article containing LSD.
 5. Barbiturates or any article of the same class.
 6. Amphetamine, Methyl amphetamine or any article containing amphetamine.
 7. Phencyclidine, Psilocybin, Nicocodine or any article containing these things.
 8. Methaqualone or any article containing Methaqualone.
-
1. Tari, Pachwai etc.
 2. Denatured spirit or Methylated spirit
 3. Chlordiazepoxide, Diazepam, Oxazepam, Lorazepam, Flurazepam, Clorozepate, Nitrazepam, Triazolam, Temazepam etc.
- C**
4. Any sedative, tranquilizer or hypnotic medicine not mentioned in category "B".
 5. Stimulants or Depresent type of medicine not mentioned in category "A" and "B".
-

23.21.4 Narcotics Duty / Liquor Duty [Section 18 & Schedule 2]:

According to Section 18 of the NC Act, 1990,

- (1) Narcotics duty shall be levied upon all kinds of produced alcohol at the rate as mentioned in the Second Schedule.
- (2) The duty so levied shall be realized by the Director General or any officer or employee subordinate to him in the manner prescribed by the rules.

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Narcotics duty rate (Second Schedule)

Sl.	Articles upon which narcotics duty leviable	Rate of narcotics duty
1	Local Liquor: (a) For all areas of the country except tea garden areas (b) For tea garden areas	Tk. 300 per LPG Tk. 150 per LPG
2	Methyl alcohol, Ethyl alcohol and absolute alcohol	Tk. 225 per LPG
3	Rectified spirit: (a) A maximum of 8 "London Proof Gallon" per annum under the license of a Homeopathic Physician registered under Bangladesh Homeopathic Practitioners Ordinance, 1983 (XLI of 1983) (b) Others	Tk. 50 per LPG Tk. 225 per LPG
4	Foreign liquor manufactured in Bangladesh	Tk. 750 per LPG
5	Denatured spirit	Tk. 50 per Bulk Gallon

23.21.5 Prohibition of production of narcotics except alcohol [Section - 9]:

- (1) Except alcohol there shall not be any cultivation, production, processing, carrying, transportation, import, export, supply, purchase, sale, possession, preservation, warehousing, exhibition or use of any narcotics. Moreover any kind of initiative or investment to establish or operate any organization for such purpose is also prohibited.
- (2) There shall not be any cultivation, production, processing, carrying, transportation, import, export, supply, purchase, sale, possession, preservation, warehousing, exhibition or use of anything or plant which is used in the production of narcotics.
- (3) Notwithstanding anything contained in the above subsections, any narcotics or product or plant covered by the aforesaid subsections, which is used in the manufacture of any medicine, medical treatment or scientific research may under this act:
 - (a) Be cultivated, manufactured, processed, imported, exported, supplied, purchased, sold, carried, preserved, stored and exhibited under license.
 - (b) Be used under permit
 - (c) Be carried or transported with pass.
- (4) Information regarding the danger of any misuse of the narcotics manufactured, processed and imported under subsection 3 must be clearly printed in the label or packet of those.
- (5) The section will not be applicable for permitted amount of narcotics kept as medicine in the first aid box of any passenger vehicle under the control and supervision of the Physician.

23.21.6 Penalty for breach of provisions of Section 9 [Section - 19]:

1. If any person violates any provision of Section 9 relating to the narcotics specified in column 2 of the following table, other than subsection 1 and 2 of Section 9 relating to cultivation, production, process and use, he shall be punished with the penalty mentioned in column (3) of the table against the said narcotics:

Sl.	Name of Drugs	Penalty
1	Heroin, Cocaine & Coca derivatives	(a) 2 to 10 years imprisonment (if quantity is less than 25 gram)

		(b) Death sentence or life time imprisonment (if quantity is more than 25 gram)
2	Pethidine, Morphine and Tetrahydrocannabinol	(a) 2 to 10 years imprisonment (if quantity is less than 10 gram) (b) Death sentence or life time imprisonment (if quantity is more than 10 gram)
3	Opium, Cannabis, Resin or Opium derivatives (except Heroine & Morphine)	(a) 2 to 10 years imprisonment (if quantity is less than 2 kg) (b) Death sentence or life time imprisonment (if quantity is more than 2 kg)
4	Methadon	(a) 2 to 10 years imprisonment (if quantity is less than 50 gram) (b) Death sentence or life time imprisonment (if quantity is more than 50 gram)
5	Other "A" category narcotics	2 to 15 years imprisonment
6	Gunja or any kind of herbal cannabis	(a) 6-months to 3 years imprisonment (if quantity is less than 5 kg) (b) 3 to 15 years imprisonment (if quantity is more than 5 kg)
7	Cannabis plant of any species	(a) 6-months to 3 years imprisonment (if no. of plants is less than 25) (b) 3 to 15 years imprisonment (if no. of plants is more than 25)
8	Phencyclidine, Methaqualone, LSD, Barbiturates, Amphetamine or drugs manufactured with any one of them	(a) 6-months to 3 years imprisonment (if quantity is less than 5 gram) (b) 5 to 15 years imprisonment (if quantity is more than 5 gram)
9	Other B Class narcotics	6-months to 5 years imprisonment
10	C Class narcotics	Maximum 1 year imprisonment or Fine of Tk. 10,000 or both

Note: Fine will also be imposed for above offences except serial 10.

- For cultivation, production or process of A class narcotics - 2 to 15 years imprisonment with fine.
 - For cultivation, production or process of B & C class narcotics - 2 to 10 years imprisonment with fine.
 - For breaching any provision of Section 9(1) & 9(2) regarding the use of narcotics:
A class narcotics - 2 to 7 years imprisonment with fine.
B class narcotics - 1 to 5 years imprisonment with fine.
C class narcotics - 6 months to 2 years imprisonment with fine.
- In addition to the above penalty, the court may give order to send the person to rehab centre.
- If any convicted person after completion of his punishment term again commits any offence under this section and if the penalty for the said offence is not death sentence or imprisonment of life, he shall be punished with double the amount of maximum punishment prescribed for the said offence.

23.21.7 Other penalty measures under the NC Act, 1990:

Section	Nature of offences	Penalty
20	For keeping machineries etc. used for producing narcotics	2 to 15 years imprisonment with fine
21	For allowing to use homestead or transport to commit offence	Maximum 5 years imprisonment with fine
22	For working without license/pass: (a) Does anything mentioned in Sec-9(3)(a) and Sec - 10(1) (b) Does anything mentioned in Sec-9(3)(b) or (c) and Sec - 10(2)	For (a): 2 to 10 years imprisonment with fine For (b): Upto 2 years imprisonment or Tk. 5,000 fine or both
23	For breaching of conditions of license/permit/pass: (a) For breaching of conditions of license (b) For breaching of conditions of permit (c) For giving prescription in violation of terms set by the DG under Sec - 13	For (a): Upto 5 years imprisonment or Tk. 10,000 fine or both For (b): Upto 2 years imprisonment or Tk. 5,000 fine or both For (c): Upto 1 year imprisonment or fine or both
24	For illegal harassment by officer	Upto 1 year jail or fine or both
25	For instigation to commit offence etc.	3 to 15 years imprisonment with fine
26	For any offence where any punishment has not been prescribed	Upto 1 year imprisonment or Tk. 5,000 fine or both

KEY POINTS

1. Customs Duty synonymous to tariff and involves a tax on commodities entering and leaving the country.
2. The Customs Act, 1969 was made effective in Bangladesh by President's Order no. 48 of 1972 with effect from 01 January 1970.
3. NBR as per Chapter II (Section 3 to 8) of the Customs Act, 1969 deals with the appointments of the officers of customs and their powers.
4. Some of the goods are prohibited to bring into Bangladesh u/s 15 of the Customs Act, 1969.
5. Several types of duties are imposed on goods at the time of import or export as per various provisions (Basically Chapter V) of the CA, 1969.
6. Customs-duties shall be levied at such rates as are prescribed in the First Schedule.
7. The valuation of goods for imposition of duty is done on the basis of the various provisions of Section 25 of the Customs Act, 1969 and The Customs valuation (Fixing the price of imported goods) Rules, 2000.
8. An appropriate officer of Customs Authority may search any person if he has reason to believe that the person is carrying goods liable to confiscation.
9. Any authorized Customs officer or any person duly empowered for the prevention of smuggling who has reason to believe that any person has committed an offence under this Act may arrest such person.
10. Specified amount of travel tax is collected from a passenger who travels from Bangladesh to any country by air, land or sea.

Multiple choice questions:

1. For imposing customs duty, the relevant tax is the Customs Act-----.
 - (a) 1984
 - (b) 1991
 - (c) 1969
 - (d) 2000
2. Which one is a prohibited good?
 - (a) counterfeit coin
 - (b) Arms
 - (c) Medicine
 - (d) Energy saving light
3. Which section of the Customs Act, 1969 is relevant to valuation of goods?
 - (a) 16
 - (b) 25
 - (c) 86
 - (d) 156
4. Amendment of assessment can be done within -
 - (a) 1 year
 - (b) 2 year
 - (c) 3 year
 - (d) 4 year
5. Assessment of duty is mentioned in which provision of the Customs Act, 1969?
 - (a) 80
 - (b) 156
 - (c) 16
 - (d) 96
6. Which tax is not imposed as per the provisions of the Customs Act, 1969?
 - (a) Value Added Tax
 - (b) Customs Duty
 - (c) Countervailing duty
 - (d) Regulatory Duty
7. Which duty is not imposed as per Customs Act-
 - (a) Regulatory duty
 - (b) Anti-dumping duty
 - (c) Safeguard duty
 - (d) Supplementary duty
8. The provisions of offences and prosecution under the Customs Act, 1969 are mentioned in which section?
 - (a) 120
 - (b) 156
 - (c) 180
 - (d) 198
9. In case of travel to any country by sea, the travel tax amount is:
 - (a) Tk. 2,500
 - (b) Tk. 1,800
 - (c) Tk. 800
 - (d) Tk. 500

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10. Who is not exempted from paying travel tax?

- (a) Child
- (b) Blind person
- (c) UN officials
- (d) Tourists

Identify the following statements as True (T) or False (F):

1. Customs duty is a direct tax.
2. Customs duty is payable in case of export or import of goods and services.
3. Customs duty contributes the highest in the tax revenue.
4. Anti-dumping duty is imposed as per the Customs Act, 1969.
5. Travel tax is imposed as per the Customs Act, 1969.

T	F
T	F
T	F
T	F
T	F

Discussion Questions:

- Question 23 – 1:** Define Customs duty? Discuss the customs procedure
- Question 23 – 2:** Discuss the characteristics of VAT in Bangladesh?
- Question 23 – 3:** Discuss the scope of Bangladesh customs law.
- Question 23 – 4:** Discuss the relevant provisions of the customs authorities and their powers.
- Question 23 – 5:** What are the prohibited goods as per the Customs Act, 1969?
- Question 23 – 6:** Explain the various types of duties as per the Customs Act, 1969.
- Question 23 – 7:** Discuss the provisions relevant to the exemptions from customs duty.
- Question 23 – 8:** Discuss the procedures of fixing the price of the imported goods.
- Question 23 – 9:** What are the dates for determination of the value of imported goods and rate of import duty
- Question 23 – 10:** Discuss the provisions of the assessment of duties as per the Customs Act, 1969.
- Question 23 – 11:** Discuss the provisions relevant to the prevention of Smuggling, Powers of Search, Seizure etc.?
- Question 23 – 12:** What are the provisions applicable for alternative dispute resolution?
- Question 23 – 13:** What are the travel tax rates applicable in Bangladesh?
- Question 23 – 14:** Who are exempted from paying travel tax in Bangladesh?
- Question 23 – 15:** What are the excise duty rates applicable in Bangladesh?
- Question 23 – 16:** What are the taxable and duty free baggage items?
- Question 23 – 17:** What is narcotics? Enumerate the narcotics duty rates.

Answers:

Multiple choice questions		True/False
1. c	6. a	1. F
2. a	7. d	2. T
3. b	8. b	3. F
4. c	9. c	4. T
5. a	10. d	5. F

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