

Bangladesh

VAT Standard rate

VAT standard rate in Bangladesh in 2024 is 15%, which applies to supplies of goods in Bangladesh and import. Supplies of basic essential goods to Bangladesh are not subject to VAT. Export is zero-rated.

VAT registration threshold

Businesses must register for VAT purposes in Bangladesh if their annual revenue exceeded BDT 8 million (approx. EUR 67,000).

Tax representative

Non-resident businesses must appoint legal VAT agent, who will be liable for registration, VAT filings and payments in Bangladesh.

Registration procedure

Businesses must submit the VAT application registration form VAT 2.1 to the Bangladesh National Board of Revenue in order to get the Business Identification Number within 15 days from the date the obligation was incurred. The application will be processed within 3 (three) working days, after which a Business Identification Number will be issued on form VAT 2.3. The registration certificate can be received online.

Deductible VAT

Businesses can reclaim input tax by deducting it from output tax. Expenses that are not relevant to the business cannot be claimed for deduction. Input tax is not recoverable to the businesses that are not registered for VAT purposes in Bangladesh.

Keeping records

The period of keeping records in Bangladesh must be at least five years.

VAT returns filing and payment date

Business must submit returns and pay VAT in Bangladesh electronically on monthly basis. The deadline is the 15th day of the month following the reporting period.

Penalties in Bangladesh

Penalty for non-submission of VAT return – fine of BDT 10,000 (approx. EUR 83).

Penalty for late payment – interest of 1% per month.

Penalty for false – fine equivalent to the taxable amount or/and imprisonment.

Penalty for fraud – fine in amount from BDT 10,000 to BDT 200,000 (approx. EUR 83 – EUR 1,665) or/and imprisonment.



www.vatcompliance.co