HADEE LUTFUL & CO
CHARTERED ACCOUNTANTS

Hi-Tech Park (HT Park): Income Tax Exemption

Presented by

Hadee Lutful & Co.
Chartered Accountants

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CHARTERED ACCOUNTANTS

Hi-Tech Park (HT Park)

SRO 245-Aain/Aikor-39/2024
dated 27 June 2024

(Exemption from Income Tax)

- **Income**
- **Period**
- **Percentage**
- **Effective date**
- **Repealed SROs**

Exemption	Income earned from **Business operation in HT Park**
Period of Exemption	For **10 years** from the date of commencement of business operation
% of Exemption	• 1^{st} year • 2^{nd} year • 3^{rd} year • 4^{th} year • 5^{th} year • 6^{th} year • 7^{th} year — **100%** • 8^{th} year • 9^{th} year • 10^{th} year — **70%**
Applicable SRO	SRO 245-Aain/Aikor-39/2024 dated 27 June 2024
Effective date of SRO	01 July 2024
Repealed SROs	• SRO 228-Aain/2015 dated 08 July 2015 • SRO 160-Aain/Aikor-35/2024 dated 29 May 2024

Applicability

- SRO No. 245 dated 27 June 2024 is **mainly applicable to companies** obtained permission for establishing industrial unit in HT Park **after 30 June 2024**

- **Exemption applicable to income earned from business operation in HT Park** by entity operating in HT Park for **manufacturing goods or rendering services**

- SRO No. 245 dated 27 June 2024, **except certain conditions** thereof (detailed in separate slide), is also applicable for:

  - entities **declared as HT Park through Government Gazette notification by 30 June 2024**
  - entities permitted for **establishing industry or industrial unit in HT Park by 30 June 2024**

Certain Conditions

<table>
<tr><th>Certain Conditions</th><th>Not applicable to</th></tr>
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Entity is to be approved by NBR satisfying all the conditions stated in SRO No. 245 dated 27 June 2024;
Newly incorporated company (not a unit of an existing company);
Company formed not as a result of restructure, merger, demerger of existing business;
Plant & machinery already used in Bangladesh shall not be used for establishing industrial unit in HT Park;
Operation of any industrial unit outside HT Park is not allowed and must be located entirely in the said area;
Commercial enterprise/trading company not allowed;
Worth considering as Hi-Tech industry by NBR

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the industry or its units declared as HT Park through Government Gazette notification by 30 June 2024
entities permitted for establishing industrial unit in HT Park by 30 June 2024

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Common Conditions

- **Reduced rates allowed for 10 years** from the year of commencement of business operation;
- Cancellation of exemption by NBR due to non-compliance of any condition;
- Compliance with **section 76 (5) & (6) and other provisions** of the ITA, 2023;
- If penalized by government in an IY due to **violation of environmental laws**, exemption won't be allowed for relevant AY;
- **Deadline for commencement of business operation is 30 June 2035** for availing exemption facilities.

***** Explanation:**

"**Commencement of business operation**" means the day on which the entity receives or starts earning income from business.

Other SROs related to HT Park

SROs	Beneficiary	Exemption	Summary of Provisions
SRO 229-Aain/Aikor/2015 dated 08 July 2015	**HT Park Developer Company**	All kinds of income arising from business activities carried out in HT Park	**Exemption:** • 1^{st} 10 years: 100% • 11^{th} year: 70% • 12^{th} year: 30% **Conditions:** • Company status • Obtaining TIN • Maintenance of accounts u/s 35 of the ITO, 1984 • Submission of return u/s 75 of the ITO, 1984

Repealed by:
SRO # 157-Aain/Aikor-32/2024 dated 29 May 2024.

Revived by:
SRO # 254-Aain/Aikor-44/2024 dated 27 June 2024.

Other SROs related to HT Park

SROs	Beneficiary	Exemption	Summary of Provisions
SRO 300-Aain/Aikor/2015 dated 08 October 2015	**Foreign Expatriates having Technical Knowledge** appointed by a **Company** operating for manufacturing goods or rendering services in HT Park	Income of such Foreign Expatriates	**Exemption:** 50% for 3 years from appointment **Conditions:** • Exemption allowed for 5 years from commencement of commercial operation • Obtaining TIN • Submission of return u/s 75 of the ITO, 1984
Repealed by: SRO # 157-Aain/Aikor-32/2024 dated 29 May 2024. **Revived by:** SRO # 254-Aain/Aikor-44/2024 dated 27 June 2024.			

Other SROs related to HT Park

SROs	Beneficiary	Exemption	Summary of Provisions
SRO 301-Aain/Aikor/2015 dated 08 October 2015	**Shareholders** of a **Company** operating for Manufacturing goods and rendering Services in HT Park and **renderer of certain services** to the said **Company**	• **Dividend** declared by such Company • **Capital gain** from transfer of share of such Company • **Royalties/TKH/ Technical Assistance Fee** payable	**Exemption for 10 years from commencement of commercial operation:** • **Dividend**: Full exemption • **Capital gain from transfer of share**: Full exemption • **Royalties/TKH/TAF**: 50% **Conditions:** • Obtaining TIN • Maintenance of accounts u/s 35 of the ITO, 1984 • Submission of return u/s 75 of the ITO, 1984

Repealed by:
SRO # 157-Aain/Aikor-32/2024 dated 29 May 2024.

Revived by:
SRO # 254-Aain/Aikor-44/2024 dated 27 June 2024.

Other SROs related to HT Park

SROs	Beneficiary	Exemption	Summary of Provisions
SRO 302-Aain/Aikor/2015 dated 08 October 2015	**HT Park Developer** Company	Dividend declared by the such **Company**	**Exemption:** For 10 years from commencement of commercial operation **Conditions:** • Company status • Obtaining TIN • Maintenance of accounts u/s 35 of the ITO, 1984 • Submission of return u/s 75 of the ITO, 1984
Repealed by: SRO # 157-Aain/Aikor-32/2024 dated 29 May 2024. **Revived by:** SRO # 254-Aain/Aikor-44/2024 dated 27 June 2024.			

Thank You

Contact Information

For further information, please contact:

Lutful Hadee

LLB LLM MCom FCA

Proprietor & CEO

M +880 1711500142
E hadee@hadeelutful.com

Md. Raisul Islam

LL.B MAT(DU) ITP

Director

M +880 1913997273
E raisul@hadeelutful.com