Bangladesh Investment Development Authority

SECTOR-WISE INCENTIVES
& DE-REGULATION INITIATIVES

August 2026

2026 Budget Changes

Pharma & API: 2026 Budget Changes

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Bulk Natural Honey — cough-syrup/formulation input (H.S. 0409.00.90)	Direct Benefit — Customs Duty (SD)	CONFLICTING: 10% SD proposed vs. 25% SD per gazette	0% SD for bulk honey imported by manufacturing industries	SRO 151-Ain/2026/06/Customs, Table-6
Pharma & API	Anti-Cancer Drug Raw Materials	Standard import duties and VAT applied to formulation raw materials.	Import duty and VAT reduced to 0% on 9 new raw materials for anti-cancer drug production.	SRO-153-Ain-2026/08/Customs
Cleanroom sandwich panels — pharma manufacturing facility build-out	Direct Benefit — Customs Duty (Capital Machinery)	Not stated	Flat 1% Customs Duty	SRO 152-Ain/2026/07/Customs
Pharma & API	API Domestic Protection (51 Raw Materials)	Concessional or moderate import tariffs on basic raw materials.	Import duty increased to 100% on 51 raw materials for Active Pharmaceutical Ingredient (API) production to enforce domestic self-sufficiency.	SRO 152-Ain/2026/07/Customs
Mortuary storage / cold-chain systems — public-health infrastructure	Direct Benefit — Customs Duty	25% Customs Duty	1% Customs Duty	Bangladesh Customs Tariff
Pharma & API	Export Sustaining Raw Materials	Standard tariff lines applied to basic formulation inputs.	Import duty reduced to 0% on 17 basic raw materials for the pharmaceutical industry to support export competitiveness.	SRO-154-Ain-2026/09/Customs
Pharma & API	Biological Safety Cabinets	25% Import Duty.	Import duty reduced from 25% to 1%, integrating them into capital equipment concessional benefits.	Bangladesh Customs Tariff & SRO-150-Ain 2026/05/Customs

Medical Device: 2026 Budget Changes

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Medical Device	Heart Rings/Stents & Intraocular Lenses	10% VAT applied at the supplier level.	Complete exemption of 10% VAT on imported heart rings/stents and intraocular lenses at the supplier level (~Tk 20,000 and ~Tk 5,000 price reductions respectively).	SRO 152-Ain/2026/07/Customs, Table-1
Medical-grade adhesives and needles (device manufacturing inputs)	Direct Benefit — Customs Duty (scaled)	Not stated	5%–15% Customs Duty scale (differentiated by input)	SRO 152-Ain/2026/07/Customs
Medical Device	Hemodialysis Blood Tubing Sets	7.5% Advance Tax applied on imports.	Complete exemption of 7.5% Advance Tax on imported Blood Tubing Sets for hemodialysis.	Budget Speech
Kidney dialysis filters	Direct Benefit — VAT & Advance Income Tax	15% VAT and 5% AIT	0% VAT and 0% AIT	SRO 169-Ain/2026/24/Customs
Aluminium can for inhaler (H.S. 7612.90.10) — size-cap removed	Direct Benefit — eligibility widened	Concession limited to "Aluminium can for inhaler, 19ml"	Concession generalized to "Aluminium can for inhaler" (no size limit)	SRO-154-Ain-2026/09/Customs
Medical Device & Social Welfare	Special Assistive Devices	Standard import duties and advance taxes across various disability products.	0% on all Import Duties, Regulatory Duties, Supplementary Duties, and 0% Advance Tax on 21 types of Special Assistive Devices.	SRO-174-Ain-2026/29/Customs
Industrial Machinery	Bio-Hygiene Machinery Manufacturing	Standard industrial customs and regulatory duty schedules.	10% Import Duty applied, with complete exemption from Regulatory Duties, VAT, and Supplementary Duties for local bio-hygiene machinery producers.	Bangladesh Customs Tariff & SRO-155 Ain-2026/10/Customs

Textiles & Apparels: 2026 Budget Changes

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Textile & Apparel	Synthetic Woven Fabrics	Subject to a standard 10% Supplementary Duty.	0% SD to mitigate open-market leakages.	Finance Act, 2026 (Second Schedule)
Textile & Apparel	Polyester Loop Fabrics	Subject to 10% SD on raw inputs.	0% SD on raw Polyester Loop Fabrics.	Finance Act, 2026 (Second Schedule)
Textile & Apparel	Carpet Manufacturing Inputs	Standard import tariffs applied to Polypropylene Yarn.	0% import tariffs on raw Polypropylene Yarn.	SRO-162-Ain-2026/17/Customs

Agribusiness: 2026 Budget Changes (1/3)

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Apiculture & Honey Processing	Bulk / industrial honey (H.S. 0409.00.90)	10% Supplementary Duty (SD) under Heading 04.09, set to protect local bee-farmers.	0% SD applied exclusively to bulk honey imported by manufacturing / processing industries.	SRO 151-Ain/2026/06 (Table-6)
Cashew Nut Processing	Raw / shelled cashew nuts (H.S. 0801.31.90, 0801.32.90)	25% CD on raw/shelled cashews generally; raw cashew separately carried at 15% CD under Table-5.	Raw cashew-in-shell CD cut to 5%, while shelled kernels retain a 10% RD, preserving the duty differential between raw and processed products.	SRO 151-Ain/2026/06 (Table-3); SRO 177-Ain/2026/32 (H.S. 0801.32.90)
Shrimp & Aquaculture — Hatchery Inputs	Feed additives, probiotics, water-treatment inputs	Concessionary input framework confined to poultry & dairy farms only.	Full input concession extended to shrimp hatcheries.	SRO 203-Ain/2025/Customs
Shrimp & Aquaculture — Hatchery Machinery	Aerators, geomembranes, hatchery/setter machines (H.S. 8436.29.00), winch/drive systems, sensors	Machinery concessions restricted to poultry/dairy farm equipment only.	Integrated into the Farm Machinery concession SRO; use subject to Department of Fisheries recommendation.	SRO 190-Ain/2024/Customs
Dairy / Poultry / Fish Feed	Feed-additive H.S. reclassification (Heading 23.09)	Broader, less granular H.S. lines — recurring classification disputes at import.	New eight-digit sub-headings (2309.90.11–2309.90.29) separately identifying vitamin/mineral/amino-acid premixes, probiotics, coccidiostats and stabilisers.	SRO 161-Ain/2026 (Customs), Heading 23.09
Rice Trade & Supply	Rice (import) tariff	Tariff set case-by-case for market-supply stabilization.	Tariff adjustment re-issued as a market-supply stabilization order — mechanism unchanged.	SRO 157-Ain/2026/12/Customs
Agro-Processing — Pesticides & Herbicides	Local Production Raw Materials	Applicable VAT and Advance Tax on imported chemical precursors.	0% VAT on 36 raw materials for local pesticide/herbicide production, plus 0% Advance Tax on imported pesticides.	SRO-156-Ain-2026/11/Customs

Agribusiness: 2026 Budget Changes (2/3)

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Fertilizer & Seed Distribution	Minimum-tax carve-out for govt / state-owned distribution	Subject to ordinary Special Business Income minimum-tax computation.	New exclusion — import/distribution/sale of fertilizer, seed & daily-essential consumables by govt/state-owned entities excluded from the minimum-tax regime.	Finance Act 2026 — Key Amendments
Veterinary & Livestock Healthcare	Veterinary medicines (all categories)	Concessional entry limited to specific named brands.	Expanded to all generic veterinary-medicine categories.	SRO-161-Ain-2026/10/Customs
Agro-Processing — Edible Oil	Rice bran oil (H.S. 1515.90.00) raw materials	No dedicated concessionary framework — sat under the general oils tariff line.	New SRO carves out a dedicated raw-material / incentive-rate import schedule for the local rice-bran-oil industry.	Bangladesh Customs Tariff & SRO-177 Ain-2026/32/Customs
Agro-Processing — Edible Oil	Manufacturer income-tax exemption (domestically-grown oilseed)	No phased income-tax holiday existed for edible-oil manufacturers.	New 10-year phased exemption: 100% (Yrs 1–5), 50% (Yrs 6–8), 25% (Yrs 9–10); effective July 2026; qualifying feedstock is domestically-grown oilseed only.	SRO No-212-AIN/AIKOR-3/2026, Date: 08 June, 2026
Agro-Processing — Starch	Finished maize (corn) starch (H.S. 1108.12.00)	15% Customs Duty (protective baseline).	Raised to 25% CD plus a new 20% Regulatory Duty — materially higher than the 10% RD on wheat/potato/other starches.	Customs Act 2023 (First Schedule); SRO 177-Ain/2026/32
Agro-Processing — Oilseed / Cotton Seed	Oilseed flour/meal & cottonseed crushing inputs (H.S. 1208.10.00 / 2306.10.00)	Not separately established in the pre-2026 baseline.	Low 5% Regulatory Duty confirmed, keeping crushing/processing inputs cheaper than finished oils.	SRO 177-Ain/2026/32
Agro-Processing — Fertilizer	Zinc Sulfate Fertilizer Production	Standard import duty on zinc ash raw material.	Import duty on zinc ash reduced to 0% to incentivize local manufacturing of zinc sulfate fertilizer, Ammonium Sulphate, Ammonium Nitrate, Sodium Nitrate, Urea, Superphosphates, Potassium Choloried, Chemical fertilizer.	SRO 151-Ain/2026/06 (Table-3)

Agribusiness: 2026 Budget Changes (3/3)

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Spice & Dates Trade	Commercial spices & dates, bulk import (H.S. 0804.10.11–0804.10.29)	5% Regulatory Duty applicable on imported commercial spices & dates.	0% RD reported as part of general inflation-management measures.	SRO 177-Ain/2026/32/Customs
Horticulture / Fruit Packaging	Biodegradable composite (fruit-bagging) paper	10% CD on biodegradable composite paper inputs.	Reduced to 5% CD — supports rural micro-entrepreneur fruit growers.	SRO 151-Ain/2026/06 (Table-3)
Aquaculture — Pangas / Catfish Fish Processing	Imported Pangas / catfish fish fillets	No dedicated protective duty on imported fillets.	New 20% protective Supplementary Duty imposed to defend the local aquaculture/fillet-processing market. A "catfish fillet" line is confirmed in the amended schedule, but the specific SD % was not legible in the OCR-degraded gazette text.	Finance Act 2026 (Second Schedule)
Infant & Child Food Manufacturing	Industrial raw inputs (H.S. 1901.90.90)	15% CD on industrial raw inputs for infant-food preparation.	Reduced to 10% CD — targeted at consumer retail-price relief. H.S. line confirmed in the SRO schedule; the exact post-2026 rate could not be independently re-verified.	SRO 151-Ain/2026/06 (Table-2)
Agro-Processing — Coffee	Coffee Extracts & Processing	5% Regulatory Duty applied to coffee essences and preparations.	5% Regulatory Duty completely withdrawn (0% RD) to develop the domestic coffee processing industry.	SRO-151-Ain-2026/06/Customs
Livestock & Poultry Equipment	Local Farm Machinery Production	Standard duties on specialized automation components.	0% Import Duty on essential equipment (belt-type manure removal machines, hatcher/setter machines, humidity/temperature sensors) for local poultry and dairy machinery manufacturers.	SRO-171-Ain-2026/26/Customs

Leather & Footwear: 2026 Budget Changes

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Footwear & Apparel	Finished Leather Footwear	Subject to an 80% Supplementary Duty.	Maintained at 80% SD to enforce local manufacturing and assembly.	Finance Act, 2026 (First Schedule)
Tannery Operations	Leather Treatment Chemicals	Subject to fluctuating standard RD and CD.	5% RD established; specific leather industry chemicals fully exempt from RD.	SRO No. 248-Ain/2026/78/Customs
Leather & Footwear Export Incentives	Export cash incentive for footwear and bags made of synthetic and fabric blends	Flat 8.00% export cash incentive applied uniformly, with no conditional breakdown.	Divided into two conditional rates: 8% if duty bond/draw-back facilities are not availed; 2% if availed.	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027

Light Engineering: 2026 Budget Changes (1/2)

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Electric Cables	Refined copper wire	10% RD proposed on Refined copper wire	0% RD for manufacturers	SRO No. 151-Ain/2026/06/Customs
Fire Door Manufacturing	Cold rolled steel sheet	10% RD proposed on Cold rolled steel sheet	0% RD for manufacturers	SRO No. 151-Ain/2026/06/Customs
Can & Closure Industry	Chromium/Tin coated flat steel	10% RD levied on Chromium/Tin coated flat steel	0% RD for manufacturers	SRO No. 151-Ain/2026/06/Customs
Gas Lighter Manufacturing	Gas Lighter	20% Supplementary Duty (SD) imposed on all Heading 96.13 items	SD on Lighter parts reduced from 20% to 10%	SRO No. 151-Ain/2026/06/Customs
Smart & Bank Card Industry	Raw materials	Raw materials added to Table-3 but duplicated under Table-5	Duplicates erased; 2 critical inputs added to Table-3	SRO No. 151-Ain/2026/06/Customs
Aluminium Foil Industry	Industrial raw foil	Industrial raw foil placed under Table-4 at 10% CD	CD lowered to 5% for manufacturing entities	SRO No. 151-Ain/2026/06/Customs
Washing Machine Inputs	Washing machine components	Washing machine components hit with 25% CD & 10% RD	0% Additional duties for assemblers, with protective Supplementary Duties (SD) imposed on imports. Transformers (<1 KVA) and DC Motors (<1200 W) were added, and a 20% SD was imposed on finished Completely Built Up (CBU) imports.	SRO No. 151-Ain/2026/06/Customs & Finance Act 2026
Oven & Appliance Parts	Raw float glass inputs	45% SD levied on raw float glass inputs	45% SD fully removed for local manufacturers. Raw float glass was deleted to spur local appliance assembly.	SRO No. 151-Ain/2026/06/Customs
Bicycle Components	Finished imports	Low baseline duties on finished imports	Protectionist duties increased on Free Wheels. Customs Duty (CD) on Free Wheels was raised from 15% to 25%, plus an additional 5% Regulatory Duty (RD).	Bangladesh Customs Tariff & SRO No. 177-Ain/2026/32/Customs

Light Engineering: 2026 Budget Changes (2/2)

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Electronics	LED Lamp	Exemption scheduled to lapse on June 30, 2026	Validity extended for 5 years (through June 30, 2030), resolving internal tariff mismatches for local LED lamp assemblers.	SRO No. 173-Ain/2024/25/Customs
IT Assembly	Digital Device and assembly	Concessionary framework re-issued under SRO 168/2026	Repealed obsolete references and inserted missing terms, fixing statutory repeals and adding detailed operational definitions for local device assembly.	SRO No. 168-Ain/2026/23/Customs

Plastics: 2026 Budget Changes

Reference / SRO	Key Changes
SRO 151-Law/2026/06/Customs (Ethylene & Propylene — Resin Synthesis)	Ethylene and Propylene imported by registered PVC/PET resin manufacturing industries: 0% CD + 0% SD — practically zero tariff for core petrochemical inputs.
SRO 151-Law/2026/06/Customs (Chemical Precursors)	Specific compounds (HS 2905.31.00 & 2917.36.00) for PET chips, PVC resin, and synthetic yarn manufacturers: 0% CD + 0% SD.
SRO 151-Law/2026/06/Customs (Stabilisers & Calcium Carbonate)	Anti-oxidising preparations / stabilisers and Coated Calcium Carbonate ($CaCO_3$) imported by plastic goods industries: 5% CD + 0% SD.
SRO 151-Law/2026/06/Customs (Plastic Films & Tubes)	Unprinted polyester and nylon films in roll form for plastic products manufacturing: 10% CD + 0% SD. Raw materials for plastic tube manufacturing: 15% CD + 0% SD.

IT & IT Enabled Services: 2026 Budget Changes (1/2)

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
IT & ITeS Operations	Startup Turnover Tax Exemption	Subject to standard minimum turnover tax brackets based on entity class.	0% Turnover Tax for qualified early-stage startups & tech ventures	SRO No. 147-Ain/2026/352-Mushak
IT Hardware Sourcing	Laptops, Desktops, Computer Monitors, & Printers	Subject to Import Duty, RD, SD, and VAT.	0% Total Duty Structure (Removal of Import Duty, RD, SD, and VAT) N.B; Full exemption extended to all Personal Desktops and Processing Units; however, 7.5% AT and 2% AIT still apply.	Bangladesh Customs Tariff
Data & Commerce Hardware	Solid State Drives (SSDs)	5% Import Duty plus RD, SD, and VAT.	5% Import Duty cap with 0% RD, SD, and VAT	Customs Act, 2023 - First Schedule, H.S. Code 8523.51.90 (Internal SSD) duty-rate revision
Retail & Payments Hardware	Point of Sales (POS) Systems	10% Import Duty and 7.5% Advance Tax.	Import Duty reduced from 10% to 5%; 0% Advance Tax (7.5% AT removed)	Bangladesh Customs Tariff
Hardware Manufacturing	Electronic & Data Components Import	5% Advance Income Tax (AIT).	Advance Income Tax (AIT) cut from 5% to 2%	Finance Act, 2026 - Income Tax Ordinance, Advance Income Tax (AIT) Schedule (Electronic & Data Component Imports)
Mobile & Light Engineering	Component Sourcing (22 Raw Materials)	Subject to standard AIT brackets on component imports.	5% to flat 1% Advance Income Tax (AIT) on local phone manufacturing inputs	SRO No-273-AIN/AIKOR-5/2026, Date: 30 July, 2026
Startup Sandbox	Startup TAX Exemption Framework	Tax exemption on "Income from business or profession" for a startup during its growth year.	0% Income Tax Rate are applicable on Startup Sandbox.	Finance Act, 2026
IT & ITeS Operations	Startup VAT Exemption Framework	Standard 15% VAT applied at the local supply level, on imported services, and on commercial office/premises rental.	0% VAT at the local level, on imported services, and on premises/facilities rental locked until June 30, 2035.	Budget Speech

IT & IT Enabled Services: 2026 Budget Changes (2/2)

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Digital Services & Telecom	SIM Card Tax Abolition	Tk 300 tax imposed on each mobile SIM card.	Tk 300 SIM Card Tax completely removed	Finance Act, 2026 - Excise Duty Schedule (SIM/RIM Card Tax provision repealed)
Telecom Infrastructure	BTRC Fees & Revenue Sharing	20% withholding tax on BTRC fees; 12% on network services.	• 0% Withholding Tax on BTRC revenue sharing & license fees • Telecom service withholding trimmed from 12% to 10%	Finance Act, 2026 - Income Tax Ordinance, Withholding Tax Rate Schedule (BTRC Fees & Revenue Sharing)
Digital Device & IT Assembly (New Update)	Local IT Hardware & Device Assembly	Previous SRO contained legal/statutory errors.	Concessionary framework maintained; baseline SRO repealed and formally re-issued to insert missing operational terms.	SRO No. 168-Ain/2026/23-Customs (repeals & replaces SRO No. 214-Ain/2025)
Consumer Electronics & LED (New Update)	LED Lamps, Washers, ATM, & CC Camera Production	Variable baseline duties; LED SRO set to lapse June 2026.	• LED Lamp concessions validity extended by 5 years to June 30, 2030. • Additional duties waived for washing machine assemblers (specific transformers/DC motors). • Local ATM & CC Camera assembly concessions maintained.	SRO No. 173-Ain/2024/25-Customs (LED Lamps, re-issued to 30 June 2030); SRO No. 151-Ain/2026/06-Customs, Table-4 & Table-5 (Washing Machine Transformers/DC Motors); SRO No. 215-Ain/2025/37-Customs (ATM & CC Camera Assembly)
IT & ITeS / Creative Economy	Freelancing & Content Creation Tax & VAT	Income tax exemption was restricted strictly to IT freelancing; content creation and non-IT freelancing services were subject to standard tax and VAT brackets.	0% income tax extended to all freelancing income (across all sectors beyond IT) and all content creation, plus a full 15% VAT waiver on services provided, to encourage legal banking remittances.	Finance Act, 2026

Renewable Energy: 2026 Budget Changes (1/2)

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Pre-Fabricated Cells & Boards	Lithium-ion Cells, Lithium Iron Phosphate Cells, Lithium Nickel Cobalt Aluminium Oxide Cells, Lithium Nickel Manganese Oxide Cells, Battery Pack PCBs	Cells were not distinctively segregated for generic pack assemblers at low-tier concessions.	Placed under a dedicated 15% Capped Customs Duty tier; 100% waiver on RD, SD, and VAT to foster localized pack configuration.	SRO No. 166-Ain/2026/21-Customs (Table-4: Localized Pack Assembly Componentry)
Legacy Battery Minerals & Oxides	Natural/Generic Graphite, Lead Oxide, Red Lead, Pure Lead	Eligible for 1% flat concessionary customs duty under broad battery schedule definitions.	0% flat concessionary customs duty	Repealed by SRO No. 166-Ain/2026/21-Customs (Expunged from SRO 194/2025)
Industrial Acids & Silicas	Hydrochloric Acid, Phosphoric Acid, Silicon Dioxide, Fume Silica/Colloidal Silica, Sodium Hydroxide	Eligible for 1% flat concessionary customs duty as generic production inputs.	0% flat concessionary customs duty	Repealed by SRO No. 166-Ain/2026/21-Customs (Expunged from SRO 194/2025)
Base Production Alloys & Liners	Tin Alloy, Pure Tin Anode/Solder Bar, Calcium Alloy, Antimony-Cadmium Alloys, AGM Separator, Metal Frame	Eligible for 1% flat concessionary customs duty under older legacy assembly provisions.	0% flat concessionary customs duty	Repealed by SRO No. 166-Ain/2026/21-Customs (Expunged from SRO 194/2025)
Renewable Energy — Solar	Solar PV Modules, Panels & Inverters	Scattered across generalized industrial electrical brackets. Attracted 15%–25% in combined Customs Duty (CD) and Regulatory Duty (RD). Subject to a minimum 2% or 5% Advance Tax (AT) cash trap at import points.	Unified flat 0% rate: 0% CD, 0% RD, 0% SD, 0% AT — removing import-stage working-capital cash blocks. One source flags a residual carve-out: a separate 2% Advance Income Tax (AIT) still applies at the port stage, so the 0% AT is not fully absolute in practice.	SRO No. 159-Ain/2026/

Renewable Energy: 2026 Budget Changes (1/2)

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Renewable Energy — Battery Storage	Battery Energy Storage Systems (BESS), Lithium Cells & Mounting Structures	Classified as commercial storage / generalized chemical hardware, drawing aggregate protectionist duties exceeding 30%; one source additionally cites up to 58.6% on structural rack/mounting configurations.	Zero-rated (0% aggregate tax) for BESS and associated structural items — conditioned on either valid SREDA technical clearance (general project-import layout) or import under an approved JVC project configuration loop (utility-scale JVC setups).	SRO No. 159-Ain/2026/
Renewable Energy — Corporate Incentives	Long-Term Corporate Income Tax (Corporate Level)	Standard progressive corporate tax scaling applied based on historical generation-volume / electricity-output schedules.	Guaranteed 0% Corporate Income Tax for all certified solar operators / qualifying generation profits through June 30, 2035, with one source additionally noting a 5% tax rebate for eligible end consumers.	SRO No-211-AIN/AIKOR-2/2026, Date: 08 June, 2026

Semiconductor: 2026 Budget Changes

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Sodium-Ion Core Chemistries	Sodium Chloride (2501.00.10), Na-Metal Foil (2805.11.00), Sodium Manganese (2825.90.00), Sodium Hexafluorophosphate (2826.90.00), Prussian Blue Analogues (2827.39.00), Sodium Perchlorate (2829.90.90), Sodium Carbonate (2836.20.00), Ethylene/Propylene/Dimethyl Carbonate (29.05), Sodium bis Imide (2925.19.90), Hard Carbon (3801.90.00)	Not included within the specialized concessionary schedules; subject to general statutory tariff rates.	Eligible for premier 1% flat Capped Customs Duty; 100% waiver on RD, SD, VAT, and Advance Tax.	SRO No. 166-Ain/2026/21-Customs (Table-3: Pure Sodium Cell Raw Materials)

Automobiles & EV: 2026 Budget Changes

Sector / Sub-Vertical	Specific Item	Pre-2026 Position	Post-2026 Budget	Reference
Passenger Vehicles	ICE Cars (1200cc - 1600cc)	Overall tax burden stood at 132%.	Overall tax burden raised to 155.88%.	Finance Act, 2026 (First Schedule)
Passenger Vehicles	Plug-In Hybrids (PHEV <1800cc)	Total tax burden stood at 93%.	Burden lowered to 73%; RD removed on brand new units.	Finance Act, 2026 (First Schedule)
Automotive VAT	VAT Empowerment List	Ambiguous coverage for modern hybrid classes.	"PHEV", "Microbuses", and "Double cabin pickups" explicitly added to VAT reduction list.	SRO No. 257-Ain/2026/357-Mushak
Light Engineering	Motorcycle Raw Materials	Required full bonded warehouse license for duty-free status.	Allowed duty-free raw imports using standard bank guarantees.	Operational Customs Directive
Electric Vehicles	CBU EV Taxation Framework	Flat 20% SD based strictly on vehicular classification.	Value-based USD tiers; 0% SD for vehicles under $25,000.	Finance Act, 2026 (First Schedule)
EV Infrastructure	EV Charging Stations	Subject to standard capital machinery import duties.	0% total tax on imported charging units.	Finance Act, 2026 (First Schedule)
EV Supply Chain	Battery Manufacturing	VAT concessions applied to both Lithium and Graphene batteries.	Graphene removed; concessions locked exclusively to Lithium batteries.	SRO No. 260-Ain/2026/360-Mushak
Commercial Transit	EV Buses & Trucks	Temporary, fragmented waivers.	Complete tax and duty waivers expanded and locked through June 30, 2030.	SRO No. 165-Ain/2026/20/Customs

Full List of Incentives

Pharma & API: Full List of Incentives

Sl.	Incentive / Policy Support	Time	Reference
1	100% tax holiday for producers of 5 specific API molecules extended from 2022 to 2032	30 June 2032	SRO No. 316-AIN/IncomeTax/2021 (11 Oct 2021)
2	7.5% tax holiday for producers of 3 specific API molecules extended from 2023 to 2032	30 June 2032	SRO No. 316-AIN/IncomeTax/2021 (11 Oct 2021)
3	5% export subsidy on exporting Active Pharmaceutical Ingredients (APIs) from Bangladesh	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
4	6% export subsidy on exporting pharmaceutical products.	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
5	Customs duty exemption on APIs' raw materials	-	S.R.O. No. 127-AIN/2020/78/Customs
6	Customs Duty and Supplementary Duty exemption on various raw materials	-	S.R.O. No. 152-AIN/2026/07/Customs S.R.O. No. 153-AIN/2026/08/Customs S.R.O. No. 154-AIN/2026/09/Customs

Medical Device: Full List of Incentives

Sl	Incentive / Policy Support	Time	Reference
1	10-year corporate tax exemption for healthcare training institutes (nursing, pharmacy, etc.)	30 June 2030	https://nbr.gov.bd/uploads/sros/SRO_on-169_Hospitals.pdf
2	CD, VAT, AT, AIT Exemption on importation on dengue kits	-	SRO No. 234-AIN/2024/76/Customs (26 June 2024)
3	Incentives for sustainable practices, including tax exemptions and duty-free imports for green factories; 10% corporate tax rate for export-oriented green industries	30 June 2028	SRO No 44/2024 (4 Mar 2024)
4	6% export subsidy on exporting of medical/surgical instruments and appliance.	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
5	Reduced import duties on raw materials for medical equipment	-	SRO 180-AIN/2024/32/customs
6	Reduction in CD on medical device manufacturer	-	SRO No. 169 AIN/2026/24/Customs
7	Bangladesh Digital Health Strategy 2023–2027	-	Policy
8	National Health Policy 2011	-	Policy
9	Health Care Financing Strategy (HCFC)	-	Policy
10	VAT exemption on locally manufactured medical bed and AT & SD exemption on imported and local raw materials & spare parts.	30 June 2030	S.R.O No. 173-Act/2025/301-VAT
11	Duty Reduction on medical device manufacturer	-	S.R.O. No. 169-AIN/2026/24/Customs
12	Concessional Capital Machinery and Spare Parts	-	S.R.O. No. 139-AIN/2026/344-VAT
13	0% Advance Tax on imported capital equipment and parts for public welfare service sectors, hospitals and healthcare facilities.	Budget FY 2026-27 onwards	Budget Speech

Textiles & Apparels: Full List of Incentives (1/2)

Sl.	Incentive / Policy Support	Time	Reference
1	Duty exemptions for importing capital machinery and raw materials for the textile sector	-	S.R.O. No. 230-Law/2024/72/Customs; S.R.O. No. 169-Law/2024/21/Customs
2	3% cash incentives on textile exports, depending on the product type and market	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
3	Incentives for sustainable practices, including tax exemptions and duty-free imports for green factories; 10% corporate tax rate for export-oriented green industries	30 June 2028	SRO No 44/2024 (4 Mar 2024)
4	AIT will be 0%, instead of 2%, at the time of import of Cotton and other Textile Fibres	30 June 2026	SRO NO.317-Law/Income Tax-15/2025
5	State-sponsored programs and grants for supporting investment in the training of the workforce, especially in advanced textile techniques	-	https://inews.zoombangla.com/training-and-skill-development-in-rmg-workforce/

Textiles & Apparels: Full List of Incentives (1/2)

Sl.	Incentive / Policy Support	Time	Reference
6	AIT reduced from 2% to 0% on Waste, Artificial staple fibres, Cotton, Acrylic or modacrylic, Synthetic staple fibres of aramids, Of polypropylene, Artificial staple fibres etc.	-	Rule 8, The Withholding Tax Rules, 2026
7	AIT reduced from 2% to 1% on Cotton, carded or combed	-	Rule 8, The Withholding Tax Rules, 2026
8	AIT reduced from 3% to 1% on Other (Adhesive Glue)	-	Rule 8, The Withholding Tax Rules, 2026
9	AIT reduced from 5% to 1% on Artificial graphite, Other (Solder Flux), Compound plasticisers for rubber or plastics, Non-printed cast polypropylene film etc.	-	Rule 8, The Withholding Tax Rules, 2026
10	Exemptions on Capital Machinery imports (excess of 1% CD, Full VAT & SD)	-	S.R.O. No. 150-Law/2026/05/Customs
11	Removal of Minimum Value from certain domestic textile products	-	S.R.O. No. 189-Law/2026/44/Customs
12	General Bond can be issued for a broad range of exporters	-	S.R.O. No. 208-Law/2026/63/Customs

Agribusiness: Full List of Incentives

Sl.	Incentive	Time	Reference/Status
1	Reduced Corporate Income Tax (CIT) for 5 to 10 years depending on location, for industrial undertakings engaged in processing of locally produced fruits and vegetables	30 June 2030	S.R.O. No. 164-Law/Income Tax/2021
2	Exemption of import duties on capital machineries	-	S.R.O. No. 118-AIN/2022/66/Customs
3	50% tax exemption for income derived from exports	30 June 2028	S.R.O. No. 170-Law/Income Tax/2023
4	No VAT imposition on export goods	-	SRO No. 180-Ain/2025/308 dated 02 June 2025
5	10% export subsidy/cash incentive for exporters of locally processed 100% halal meat and 100% halal meat.	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
6	TAX rate on income from Jute production will be 10% for companies & a maximum 10% for other than companies for AY 2023-2024,2024-2025,2025-2026.	30 June 2025	SRO NO.304-Law/Income Tax-18/2023
7	VAT Exemption on agro-chemicals recommended by ministry of agriculture	-	S.R.O. No. 139-AIN/2026/344-VAT
8	VAT Exemption on pesticides raw materials	-	S.R.O. No. 156-AIN/2026/11/Customs
9	10% Subsidy on the export of potato, agri-product,	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
10	8% Subsidy on the export of incense, attar	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
11	6% Subsidy on the export of crab, swamp eel	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
12	3% Subsidy on the export of rice	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
13	2% Subsidy on the export of tea	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027

Leather & Footwear: Full List of Incentives

Sl.	Incentive	Time	Reference/Status
1	Reduced Corporate Income Tax (CIT) for 5–10 years based on location	30 June 2030	S.R.O. No. 164-Law/Income Tax/2021
2	50% tax exemption on income from exports	30 June 2028	SRO No 44/2024 (4 Mar 2024)
3	No VAT on export goods	-	SRO No. 180 Ain/2025/308 dated 02 June 2025
4	Import duty-free capital machinery	-	118-AIN/2022/66/Customs
5	10% export subsidy on leather goods	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
6	Leather and Leather Products Development Policy 2019 has comprehensive incentives to boost exports	-	Policy
7	Concessional CD for the treatment of leather imported	-	S.R.O. No. 151-AIN/2026/06/Customs
8	General Bond can be issued for a broad range of exporters	-	S.R.O. No. 208-Law/2026/63/Customs

Light Engineering: Full List of Incentives

Sl.	Incentive/Policy	Time	Reference / Source
1	10-year tax holiday for new industries	30 June 2030	SRO No. 166 Law/Income Tax/2021
2	Duty exemptions on capital machinery imports	-	SRO-191-Ain-2025/13/Customs
3	10% Export Subsidy on export of light engineering products	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
4	50% tax exemption on income from exports	30 June 2028	SRO No. 170-Law/Income Tax/2023
5	Light Engineering Industry Development Policy 2022	-	Promoting Exports of Light Engineering Products
6	Priority export diversification sector under Industry Policy 2022	-	National Industry Policy

Plastics: Full List of Incentives

Sl.	Incentive/Policy	Time	Reference / Source
1	TOWARDS A MULTISECTORAL ACTION PLAN FOR SUSTAINABLE PLASTIC MANAGEMENT IN BANGLADESH	-	Action plan
2	Reduced Corporate Income Tax for 5–10 years for new plastic recycling businesses	30 June 2030	S.R.O. No. 164-Law/Income Tax/2021
3	Reduced import duty on raw materials & capital machinery	-	SRO-191-Ain-2025/13/Customs & SRO-151-Ain-2026/06/Customs
4	50% tax exemption on export income	30 June 2028	SRO No. 170-Law/Income Tax/2023
5	No VAT on export goods	-	SRO No. 180 Ain/2025/308 dated 02 June 2025
6	6% cash incentive on export of plastic products, including PET bottles	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
7	6% export subsidy on polyester staple fiber plastic made from PET bottle flex	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
8	6% export subsidy for plastic products export and PET bottles used in potato flakes exports	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027

IT & IT Enabled Services: Full List of Incentives

Sl.	Incentive/Policy	Time	Reference / Source
1	6% export subsidy for software, ITES, and hardware. 2.5 % for individual freelancers.	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
2	Tax Holiday Period: 100% for first 7 years, 70% for 8 to 10 years for business established within Hi-Tech park.	30 June 2035	S.R.O. 245-Law/Income Tax-39/2024
3	VAT-exempt natural gas for captive power in 100% export-oriented units.	30 June 2027	S.R.O. 144-Law/Income Tax-2026/349-VAT
4	2% export subsidy for product and market diversification (for companies in high-tech parks)	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
5	Exempted Corporate Income Tax (CIT) for first 10 years for manufacturing motherboard, casing, UPS, speaker, sound system, power supply, USB cable, CCTV, pendrive having more than 30% value addition.	30 June 2030	S.R.O. No. 163-Law/Income Tax/2021
6	5% VAT on locally produced and software customization services	-	S.R.O. No. 154-Law/VAT/2023
7	All income generated from IT Enable (ITES) is tax-exempt, having income received through banking channel	30 June 2027	Para 21, Part 1, Sixth Schedule of ITA 2023

Renewable Energy: Full List of Incentives

Sl.	Incentive/Policy	Time	Reference / Source
1	Solar Power Producers and Suppliers businesses will be eligible for Tax exemption Tax rebate @ 5% of total solar power bill for Solar Electricity users	30 June 2035	S.R.O No. 211-Ain/Income Tax-2/2026
2	Customs duty maximum 5%	30 June 2028	S.R.O No. 181-Act/2024/33/customs
3	VAT Exemption on Power Generation	30 June 2028	S.R.O No. 181-Act/2024/33/customs
4	Regulatory duty and others duty exempted	30 June 2028	S.R.O No. 181-Act/2024/33/customs
5	5% VAT on locally manufactured e-bike and exemption of AT and SD on imported and local raw materials	30 June 2030	S.R.O No. 175-Act/2025/303-VAT
6	CD, RD, SD, AT exemption on the importation of specific good related to renewable energy	-	S.R.O No. 159-Act/2026/14/customs

Semiconductor: Full List of Incentives

Sl.	Incentive/Policy	Time	Reference / Source
1	6% cash incentive on exports of IT enabled services.	30 June 2027	FEPD-1 Circular No. 17: Export Subsidy/Cash Incentive for the financial year 2026-2027
2	Tax Holiday Period: 100% for first 7 years, 70% for 8 to 10 years for business established within Hi-Tech park.	30 June 2035	S.R.O. 245-Law/Income Tax-39/2024
3	CD, RD , AT, VAT and SD exemption upon import of Goods/Materials to be used for the development of Hi-Tech Parks	-	S.R.O No. 352-Law/2015/60/Customs
4	Specified imports for local semiconductor manufacturing/assembly: • exemption from RD, SD, VAT, AT, and • CD exceeding 1%.	30 June 2031	S.R.O No. 170-Law/2026/25/Customs

Automobiles & EV: Full List of Incentives

Sl.	Incentive/Policy	Time	Reference / Source
1	VAT Exemption for Motor Vehicles & EVs Manufacturing (Cars up to 3,000 cc along with plug-in hybrids, e-buses, e-trucks & three and Four-wheeler EVs)	30 June 2035	S.R.O. 137-Law/Income Tax-2026/342-VAT
2	Exemption on EV, CD exceeding (manufacturer 3%, assembler 15%, vendor 3%)	30 June 2031	S.R.O. 163-Ain/2026/18/customs S.R.O. 164-Ain/2026/19/customs S.R.O. 165-Ain/2026/20/customs
3	CD exemption on import of spare Parts (**EV Parts)-** Local production only	30 June 2030	S.R.O. 166-Ain/2026/21/customs
4	E-Bike and Component Manufacturing • Exempted RD, SD, VAT, AT • CD 1% or 5% depending on the category of goods.	30 June 2030	S.R.O. 166-Ain/2026/21/customs

Deregulation

Deregulation (1/3)

Specific Item	Pre-2026 Position	Post-2026 Budget
AEO System Clearance	20/30/50% by category; up-to-date audit reports required for facilities.	Doubled to 40/60/80% by category; audit report requirements completely waived.
VAT/Tax Appeal Pre-deposit	10% pre-deposit required to challenge assessments.	Reduced to 1% at Appeal Commissionerate & Tribunal, and 2% at High Court.
Tax & VAT Audit	Manual VAT and income-tax audit selection.	Replaced by a fully automated, software-based risk-selection system.
Central bank pre-approval (unlisted deals)	Waived up to Tk 10 crore.	Waiver limit expanded to Tk 100 crore.
Foreign loan interest tax	20% withholding tax applied.	Cut to 10%.
PSR Requirement	Required for any Director of Company or sponsor shareholder.	Required only for 'Resident' Director of Company or sponsor shareholder.
Tax Deduction at source	Treated as Minimum Tax Liability.	Reclassified and treated as Advance Tax.
Bond License validity	1 year	3 years

Deregulation (2/3)

Sl.	Reform / Policy Support
1	**Approvals & Licensing:** Online Single Window made mandatory. All government approvals and licensing procedures to be completed within a strict **7-day deadline**.
2	**Company Registration:** Fully online process implemented (name clearance, fee payments, certificate issuance) to ensure company registration is completed within **48 hours**.
3	**International databases for assessable value during Customs valuation :** Assessable Value Order 2026 introduces international benchmark sources including Platts, ICIS, LME, SMM and Bloomberg for use during customs clearance.
4	**Tax Modernization:** Corporate taxpayers can file returns online. Excess tax deducted at source will be refunded directly to bank accounts via an automated system.
5	**VAT Modernization:** Mandatory e-VAT filing introduced with simplified returns for small businesses and a transition to quarterly submissions.
6	**Bond Regime:** Bond facilities extended beyond the RMG sector. Annual bond audits withdrawn for compliant exporters, and validity periods extended.

Deregulation (3/3)

Sl.	Reform / Policy Support
7	**Export Diversification: 10 new sectors** (Motorcycles, speedboats, fish processing, handicrafts, diversified jute products, diapers & sanitary napkins, crockery, tents, recycled cotton bags, and terry towels) permitted to import raw materials against bank guarantees without bond licenses.
8	**Trade Facilitation:** (a) Accredited private laboratories (BAB & ISO) now accepted alongside government labs for product and chemical testing to reduce port congestion. (b) Bangladesh Bank issued circular *(FEPD-1 Circular No. 11)* to relax LC for reliable importers/low-risk goods and wider use of D/P and TT.
9	**Profit repatriation:** Profit repatriation applications from foreign investments processed within **30 days**. Bangladesh Bank pre-approval for non-listed waived up to Tk 100 crore *(FEID Circular No. 01)* .
10	**Improve port/off-dock clearance, 24/7 operation:** New private port/terminal framework, foreign-ownership liberalisation in ICD/CFS.
11	**Simplify Tax Residency Certificate (TRC) certification :** TRC certification moved to automated online issuance through National Single Window.
12	**Compliance Simplification:** Books of account and related records are now permitted to be preserved in physical, digital, or both formats.

Thank you