DAI - USAID's Agricultural Value Chains (AVC) Project in Bangladesh

Schedule of Tax Deduction at Source Rate of FY 2016-2017

SL	Nature of Activity/ Provider of Services	Tax deduction at Source		
		Base Amount	Tax Rate	Reference Section and Rule
1	Building construction, Machinery installation, repair, maintainance etc.	• Less than Tk. 2,00,000	Nil	Section - 52 Rule 16 (a)
		• Tk. 2,00,001 to Tk. 5,00,000	1%	
		• Tk. 5,00,001 to Tk. 10,00,000	2%	
		• Tk. 10,00,001 to Tk. 25,00,000	3%	
		• Tk. 25,00,001 to 1,00,00,000	4%	
		• TK.100,00,001.00 to 5,00,00,000	5%	
		• TK.5,00,00,001.00 to 10,00,00,000	6%	
		• Exceeds TK.10,00,00,001 to above	7%	
2	i) Goods supply, manufacturing, processing etc. ii) Printing, packaging, binding etc.	• Upto Tk. 2,000,000	3%	Section - 52 Rule 16 (a)
		• Tk.2,000,001 to Tk. 10,000,000	4%	
		• Exceeds TK.10,000,001 to above	5%	
3	Royalty, Franchise, Patent, Brandname, Invention, Formula, Process, Other Intangibles etc.	• Upto Tk. 25,00,000	10%	Section 52A
		• Exceeds TK.25,00,001 to above	12%	
4	Service from convention hall, conference center etc.	Any amount	5%	Section 52P
5	House Property (House rent for commercial purpose)	Any amount	5%	Section 53A
6	Non-resident/International Courier Service charge	Any amount	15%	Section 53CCC
7	Rental value of vacant land, plant or machinery	Any amount	5%	Section 53J
8	Advertisement of print media, electronic media, website	Any amount	4%	Section 53K

NOTES:

1. The recipeint person/organizatrion or goods/service provider should be the holder of 12-digit E-TIN. Otherwise TDS (Tax Deducted at Source) will be withheld at 50% higher than the usual TDS rate.
2. TDS rate will be determined based on "*Base Amount*". Based amount will be considered among a) Contract Value, b) Invoice Price, C) Paid Amount - whichever is higher.
3. In case of AVC activities, most of the technical activity contract shall be considered as "Professional Service", unless the contracted activity is defined otherwise.

Source: 1. Bangladesh Gadget, 30 June, 2016

Source: 2. Paripatra-01 (Income Tax) / 2016-17, National Board of Revenue, Tax Policy Wing

Section 52AA			
SL	Description of service and payment	Rate of deduction of tax (% of base amount)	
		Where base amount does not exceed Tk. 25 lac	Where base amount exceeds Tk. 25 lac
1	Advisory or consultancy service	10%	12%
2	Professional service, technical services fee, or technical assistance fee	10%	12%
3	**Advertisement Fee**		
	(a) on commission	10%	12%
	(b) on gross amount	1.5%	2%
4	**Catering service**		
	(a) on commission	10%	12%
	(b) on gross amount	1.5%	2%
5	**Cleaning service**		
	(a) on commission	10%	12%
	(b) on gross amount	1.5%	2%
6	**Collection and recovery agency-**		
	(a) on commission	10%	12%
	(b) on gross amount	1.5%	2%
7	**Management of events, training, workshops etc.**		
	(a) on commission	10%	12%
	(b) on gross amount	1.5%	2%
8	**Private security service**		
	(a) on commission	10%	12%
	(b) on gross amount	1.5%	2%
9	**Supply of manpower**		
	(a) on commission	10%	12%
	(b) on gross amount	1.5%	2%
10	Indenting commission	6%	8%
11	Meeting fees, training fees or honorarium	10%	12%
12	Mobile network operator, technical support service provider or service delivery agents engaged in mobile banking operations	10%	12%
13	Credit rating agency	10%	12%
14	Motor garage or workshop	6%	8%
15	Private container port or dockyard service	6%	8%
16	Shipping agency commission	6%	8%
17	Stevedoring/berth operation commission	10%	12%
18	Transport service, car rental	3%	4%
19	Any other service which is not mentioned in Chapter VII of this Ordinance and is not a service provided by any bank, insurance or financial institutions	10%	12%