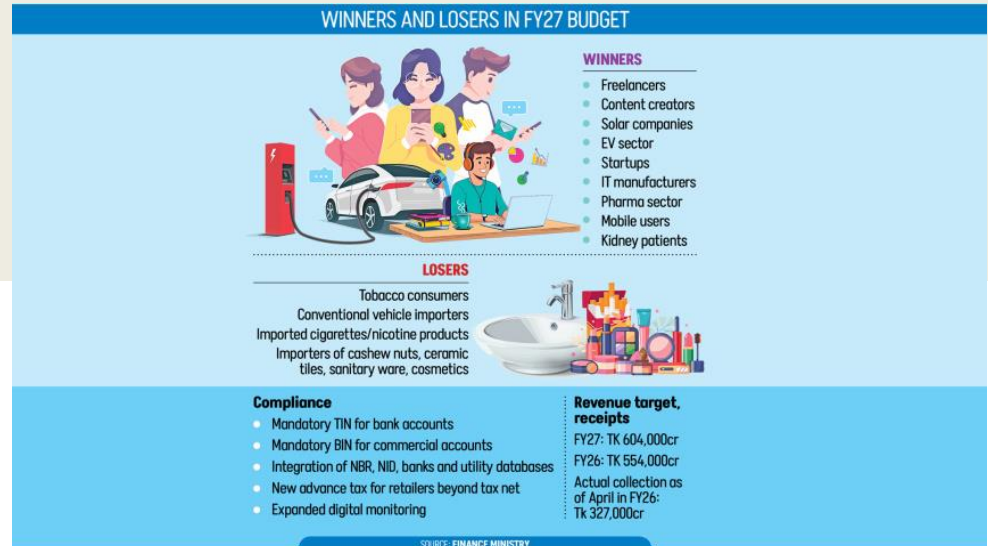


# AMC WEEKLY SPOTLIGHT

COURTESY OF AMC RESEARCH & DEVELOPMENT TEAM



## Tax exemptions to continue, tax net to be expanded

The proposed FY27 budget offers wide-ranging tax exemptions and incentives for businesses, freelancers, content creators, startups, and the creative economy while also aiming to expand the tax net.

A **TIN** may become mandatory for opening bank accounts, and retailers could face a 0.2% advance tax on goods purchases. The tax-free income threshold is set to rise to **Tk 375,000**, while the excise duty exemption limit on bank deposits may increase to **Tk 400,000**.

To ease inflation, taxes on essential goods such as rice, lentils, oil, sugar, fish, and vegetables may be reduced. The budget also proposes duty cuts on musical instruments, film-making equipment, medical devices, pharmaceutical raw materials, gold jewellery, and electric vehicles. Healthcare costs could decline through reduced taxes on heart stents, dialysis filters, and eye lenses.

Content creators, freelancers, startups, and tech-based businesses are expected to receive VAT and tax exemptions, while electric vehicle imports and charging infrastructure may enjoy major tax benefits. Business leaders have welcomed the measures but stressed that revenue growth should come from expanding the tax base rather than increasing the burden on existing taxpayers.

Overall, the proposed FY27 budget seeks to balance revenue generation with economic growth by offering tax relief to businesses, startups, freelancers, and consumers while expanding the tax base through stricter compliance measures. The incentives for the creative economy, healthcare, technology, and electric vehicles are expected to encourage investment and employment, although some new tax requirements may increase pressure on small businesses and taxpayers.

Source- <https://en.prothomalo.com/business/local/sl7cyhokb>

## Budget FY27: Who stands to win and lose from tax changes

The **BNP government** is set to unveil a series of tax measures in the new budget for **fiscal year 2026-27**, offering incentives for green industries, digital entrepreneurs and technology manufacturers, while imposing higher taxes on tobacco products, conventional fuel-powered vehicles and selected imports.

### Green Industries, Tech Firms Get Tax Incentives in FY27 Budget

The FY2026-27 budget is expected to introduce major tax incentives for green industries, digital entrepreneurs, technology manufacturers, and electric vehicle (EV) producers. At the same time, taxes on tobacco products, fossil fuel-powered vehicles, and selected imports are likely to increase.

**Revenue Target Set at Tk 6.04 Lakh Crore**  
Finance Minister Amir Khosru Mahmud Chowdhury is set to unveil his first budget with a revenue target of Tk 604,000 crore, up from Tk 554,000 crore in the current fiscal year.

### Tax Reforms to Expand Revenue Base

The government plans to widen the tax net through greater use of Business Identification Numbers (BINs) and Taxpayer Identification Numbers (TINs). A 0.20 percent advance tax on goods supplied to retailers may also be introduced.

### Import Duty Rationalisation Ahead of LDC Graduation

Import duties could be reduced on 69 product categories, regulatory duties withdrawn on 113 items, and supplementary duties lowered on nine products as part of tariff reforms before Bangladesh's LDC graduation.

### Startups and SMEs Get Long-Term Relief

Technology startups may receive zero turnover tax and VAT exemptions until 2035. Tax-free turnover limits for SMEs are also expected to increase, benefiting small entrepreneurs.

### Technology and Semiconductor Industries Prioritised

Existing incentives for mobile phone, computer, and electronics manufacturing may continue until 2030. New benefits for semiconductor design, testing, and packaging are also under consideration.

### SIM Card Tax Likely to Be Removed

The Tk 300 tax on new SIM card connections may be scrapped entirely to promote digital inclusion and increase mobile usage across the country.

### Relief for Households Through Lower Food Taxes

Source tax on rice, wheat, potatoes, onions, edible oil, fish, and other essentials may be reduced to 0.5 percent, aiming to ease inflationary pressure on consumers.

### Healthcare Costs Expected to Decline

VAT and advance tax on imported heart stents may be removed, while duties on dialysis filters and eye surgery lenses could be reduced, lowering treatment costs for patients.

### Bank Depositors to Get Additional Relief

The excise duty exemption threshold on bank balances may increase from Tk 3 lakh to Tk 4 lakh, providing relief to small depositors.



## Corporate tax rates to remain unchanged for five years

The government is set to keep corporate tax rates unchanged for the next five years in response to a long-standing demand from industrialists and business leaders, according to proposals to be announced in the FY2026–27 national budget.

Finance Minister Amir Khosru Mahmud Chowdhury is expected to make the announcement while presenting the budget in the Jatiya Sangsad at 3:00pm on Thursday (11 June), aiming to advance Bangladesh's transition towards a more investment-driven and "trillion-dollar economy" through higher growth targets, regulatory reforms and expanded fiscal measures.

Under the proposed framework, the existing tax differential between listed and non-listed companies will remain in place. Companies listed on the stock market will continue to enjoy a 5% tax advantage over non-listed firms.

A new provision will allow companies that directly list on the stock exchange, in addition to those launching an initial public offering (IPO), to qualify for a corporate tax rate of 22.5% if they sell at least 10% of their paid-up capital. The rate will be reduced further to 20% if all company income is transacted through banking channels.

For non-listed companies, the corporate tax rate is proposed at 27.5%.

However, firms conducting all transactions through the banking system will benefit from a reduced rate of 25%. Meanwhile, listed banks, insurance companies and financial institutions will be subject to a corporate tax rate of 37.5%, while non-listed entities in these sectors will continue to pay 40% tax.

The proposed measures are aimed at ensuring tax policy stability, encouraging greater compliance through formal banking channels and promoting participation in the capital market.

Source- <https://www.daily-sun.com/business/879530/corporate-tax-rates-to-remain-unchanged-for-five-years>

### Renewable Energy Sector Receives Major Boost

Taxes on solar equipment, lithium-ion batteries, and related components may be reduced or waived. Solar power generation is expected to remain tax-free until 2035, with users receiving a 5 percent tax rebate.

### EV Industry Gets Extensive Support

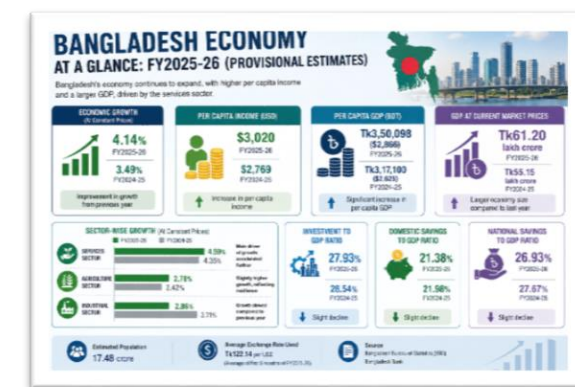
The budget is likely to offer tax concessions for EV manufacturing, battery production, charging stations, and electric buses. Taxes on imported electric cars may fall significantly, while EV charging equipment could become duty-free.

### Higher Taxes on Petrol and Diesel Vehicles

To encourage cleaner transportation, taxes on petrol and diesel-powered vehicles with 1,200cc–1,600cc engines may increase from 132.36 percent to 155.88 percent.

### Freelancers and Content Creators to Enjoy Tax Benefits

The government may extend tax incentives to all categories of freelance income and provide full income tax exemption for content creators, supporting the growing digital economy.



## Bangladesh per capita income rises to \$3,020

The industrial sector, however, grew by 2.86%, lower than the 3.71% growth achieved in FY25

Bangladesh's per capita income has increased to USD\$3,020 in the provisional estimates for fiscal year (FY) 2025-26, up from \$2,769 in the previous fiscal year, according to the latest data released by the Bangladesh Bureau of Statistics (BBS) today.

The provisional estimates also show that the country's economy expanded by 4.14% at constant prices during FY26, improving from the 3.49% growth recorded in the final accounts of FY25.

According to the BBS data, the size of the economy at current market prices is estimated at Tk61.20 lakh crore, compared with Tk55.15 lakh crore in the previous fiscal year. Per capita GDP also increased significantly to Tk3,50,098 (\$2,866) in FY26 from Tk3,17,100 (\$2,625) a year earlier.

### Higher Protection for Local Industries

The government plans to raise duties on several imported products, including cashew nuts, ceramic goods, fabrics, cosmetics, honey, and betel nuts, to support domestic manufacturers.

### Tobacco Products to Become More Expensive

Taxes and duties on cigarettes and other tobacco products are expected to rise, leading to higher retail prices and discouraging tobacco consumption.

### Experts Urge Stronger Tax Governance

Towfiqul Islam Khan of Centre for Policy Dialogue said the budget seeks to balance investment incentives, consumer relief, and revenue needs. He stressed that effective tax governance and public financial reforms will determine its success.

Source- <https://www.thedailystar.net/business/bangladesh-budget-2026-27/news/budget-fy27-who-stands-win-and-lose-tax-changes-4195716>

Sector-wise performance indicates that the services sector remained the main driver of economic growth, posting an estimated growth rate of 4.59%, up from 4.35% in FY25.

The agriculture sector registered a growth rate of 2.78%, slightly higher than the 2.42% recorded in the previous fiscal year, reflecting continued resilience in farm production and related activities.

The industrial sector, however, grew by 2.86%, lower than the 3.71% growth achieved in FY25.

The provisional estimates also show a modest decline in investment and savings indicators. The investment-to-GDP ratio is estimated at 27.93% in FY26, compared with 28.54% in the previous fiscal year. Similarly, domestic savings declined slightly to 21.38% of GDP from 21.98%, while national savings fell to 26.93% from 27.67%.

The estimates were prepared on the basis of a projected population of 17.48 crore. The calculations used an average exchange rate of Tk122.14 per US dollar, based on the average exchange rate during the first nine months of FY26, as reported by the Bangladesh Bank.

The latest provisional figures indicate continued expansion of Bangladesh's economy, with rising per capita income and a larger GDP despite slower industrial growth and a slight moderation in investment and savings ratios.