

Value Added Tax Rules, 1991
(Unofficial Translation)
[Updated upto Nov., 2012]

In exercise of the powers conferred by Section 72 of the Value Added tax Act, 1991 (Act No. 22 of 1991), the National Board of Revenue is pleased to make the following Rules, viz:

1. Short Title.— These Rules shall be called Value Added Tax Rules, 1991.

2. Definition.— (1) Unless there is anything contrary to the subject or contents in these Rules—

a. “Act” means Value Added Tax Act, 1991 (Act No. 22 of 1991);

aa. “Utilization Permission and Utilization Declaration” means Utilization Permission and Utilization Declaration as stated in Hundred Percent Export Oriented Industries (Temporary Importation) Rules, 1993;

b. “Tax” means a tax defined under Clause (ddd) of Section 2;

bb. “Contractual Manufacturer” means a person who manufactures goods on contractual basis in exchange of consideration using raw-materials supplied by proprietor of branded goods or using own raw-materials;

bbb. “Section” means Section of the Act;

c. “Registration Certificate” means the certificate of registration issued to a registered person by the Divisional Officer under Section 15 of the Act;

d. “Registered Person” means a person registered under Section 15 of this Act;

dd. Omitted;

e. “Established Exporter” means an exporter recognized by the Duty Exemption and Drawback Office on the basis of record of his significant exports and drawback during the last 12 months;

ee. “Backward Linkage Industry” means any industrial unit which supplies goods or services against domestic Back to Back Letter of Credit or domestic Letter of Credit in foreign exchange to any registered person who is under an obligation in the domestic Letter of Credit to supply goods or services to any actual exporter in foreign exchange;

eee. “Actual Exporter or Exporter” means such person or establishment who directly exports to Export Processing Zone Area or outside Bangladesh his produced goods or services or goods or services received otherwise, observing the formalities laid down in the provisions of Export Policy Order published from time to time by the Government and foreign exchange related provisions time to time published by Bangladesh Bank;

eeee. “Deemed Exporter” means such person or establishment who provides goods or renders services against internal Back-to-Back Letter of Credit or local or international tender, in exchange of foreign currency to any person or establishment inside

Bangladesh;

f. “Form” means any form attached to these Rules;

ff. “Bonded Warehouse” and “Special Bonded warehouse” means bonded warehouse and special bonded warehouse respectively as defined in chapter XI of the Customs Act, 1969 (IV of 1969);

g. “Divisional Officer” means the Divisional Officer as defined in the Clause (qqqqq) under Section 2;

h. “Bill of Entry” means Bill of Entry submitted under Section 79, of the Customs Act, 1969 (IV of 1969);

i. “Bill of Export” means Bill of Export submitted under Section 131 of the Customs Act, 1969 (IV of 1969);

ii. “Proprietor” means the owner of the goods manufactured under contractual basis;

j. “Revenue Officer” means ‘Revenue Officer’ in charge of a local Value Added Tax Office or Circle or Large Tax-Payers Unit (LTU), Value Added Tax.

(2) The words and expressions used in these Rules which have not been defined, those words and expressions will be applicable as those have been used in the Act.

3. Declaration of value for determining Value Added Tax or Value Added Tax and Supplementary Duty as applicable.— (1) To achieve the objectives of Section 5 and 7 of the Act, registered person, before supply of taxable goods produced or supplied by him shall submit a declaration in form “Mushak-1” in two sets, for the purpose of determining Value Added Tax or Value Added Tax and Supplementary Duty, where applicable, to the concerned Divisional Officer including input-output co-efficient of the concerned goods related to base value and on the basis of such declaration and from the date of declaration, the registered person will supply the goods after ascertaining and making payment of the taxes payable on his goods to be supplied;

Provided that for trader or commercial importer, price base declaration has to be submitted as per form “Mushak-1kha” in accordance with the procedures laid down in the above Sub-Section.

(1a) If any registered person who is engaged in the supply of taxable goods or provision of services, besides supplying goods or providing services domestically, supplies exempted goods or renders services or supplies exported to deemed to be exported goods or services or makes exports; and if that is not in consistence with the previously declared value or input-output coefficient; then before such supply or export, the concerned person requires to submit to the concerned Divisional Officer a declaration in form “Mushak-1ga” with prices of raw-materials and input-output co-efficient and the Divisional Officer requires giving decision upon the declaration within 15 (fifteen) working days if required with amendment after scrutinizing the declaration:

But provided that the concerned person has to be given proper hearing if any amendment is to be brought in the declaration made by the registered person:

Provided further that this provision will not apply to the registered person who is hundred percent export-oriented or hundred percent deemed exporter industry.

(1b) In case of contractual production, the manufacturer of goods will require to submit price declaration to the concerned Divisional Officer in form “Mushak-1” on the basis of the price the manufacturer of the goods receives from the owner of the goods.

(1c) In case of contractual production, the owner of the goods will be considered to be manufacturer of the goods and he will require declaring price of the goods in form “Mushak-1” as per the provisions of Sub-Rule (1).

(1d) To fulfill the purposes of Section-5 of the Act, any producer or manufacturer will be able to submit price declaration willingly in form “Mushak-1gha” to the office of the Divisional Officer, if retail price of the goods produced by him remains printed on the packet transparently and visibly with indelible ink:

But provided that, in such case, VAT imposable price at production stage can not be lower than two-third of the Maximum Retail Price (MRP).

(1e) If producer or manufacturer of goods, submits price declaration to the office of the Divisional Officer as per the provisions of Sub-Rule (1d) in form “Mushak-1gha” with packets of the goods inscribed with Maximum Retail Price (MRP), the declaration will come into effect from the date of declaration with approval from the said Officer.

(2) In the event of any change necessary in the base value declared as per Sub-Rule-1, the registered person shall submit a new declaration of base value in form “Mushak-1” or if applicable “Mushak-1kha” or modification to earlier submitted declaration, whichever is applicable, to the Divisional Officer before seven working days to effect the change and shall pay tax payable in accordance with the newly declared or modified base value.

(2a) If any change is required in the declaration submitted under Sub-Rule (1a), producer of exempted goods or goods exported from Bangladesh or deemed to be exported will submit a new declaration or amendment to the previous declaration whichever is applicable in form “Mushak-1ga” to the Divisional Officer seven days before making such change effective, and Divisional Officer after scrutiny of the new declaration or previously submitted declaration will approve the declaration if necessary with amendment:

Provided that, if any change or amendment is to be brought in the declaration submitted by the registered person, he has to be given proper opportunity of being heard.

(2b) If no change is done in the consideration received from the purchaser, and if change in the value addition is less than five percent, no declaration will require under the provisions of Sub-Rule (2) and (2a):

But provided that, this provision will not be prejudicial to the investigation or survey related activities described in Sub-Rule (3).

(3) From investigation or survey after declaration of value base in accordance with Sub-Rule (1) or (2) or Rule 3b carried on for the purpose, by the Divisional Officer, Circle Revenue Officer or any other Value Added Tax Officer authorized by the Commissioner or from investigation or survey carried out and based on the amount of value addition and division of similar goods, actual cost, value declared and approved or information related to market value, maintained at the Circle, Division or Commissioner's office, if it appears that,

- (a) value base declaration of the goods is incompatible to Section 5 of the Act, or
- (b) value base declared for the goods is significantly lower than that of goods of similar nature and quality, or
- (c) the amount of value addition shown in form "Mushak-1" or "Mushak-1kha" is substantially low, or
- (d) declared value base is substantially lower because of any special relationship between supplier and receiver of the goods,

and for this reason, less Value Added Tax or Value Added Tax and Supplementary Duty where applicable, was or may have been paid, Divisional Office then after giving the registered person reasonable opportunity of being heard can determine reasonable value base, based on information collected or received and from the date of declaration all tax payable shall be determined and paid in accordance with that value base.

Explanation.— Determination of value base and tax by the Divisional Officer under this Sub-Rule shall not prejudice the effectiveness of any provision related to any prosecution for any offence under this Act or the Rules.

Provided that when Divisional Officer fails to complete the above activities within fifteen working days, he would be deemed to have no objection in the matter of value declared.

(4) (5) Omitted.

(6) In the case of trade discount, as per Sub-section 5 of section 5, the registered person shall have to inform the concerned Divisional Officer about the price of the goods before and after discount and the period after publishing the same in a national daily and the discount shall not exceed fifteen percent of the actual price and can be allowed for maximum thirty days in any twelve months period.

(7) Notwithstanding anything contained in Sub-Rule (1) the Commissioner can, on an application of a registered person or on his own accord, or at the request of Divisional Officer decide the value for any goods considering the price fluctuation or any other factor:

Provided that the registered person can apply to the Commissioner within thirty working days for reconsideration of value base when it is fixed by the Divisional Officer higher than declared and the application shall be deemed to have been accepted if the Commissioner fails to act upon it within fifteen working days:

Provided further that the Commissioner can request the committee for consideration of value base on his own accord or at the request of Divisional Officer in determining the value base of any goods or class of goods.

(8) Declared price list of goods to be supplied should be kept hanging in a noticeable manner at the place of production, manufacture or business.

(9) The registered person shall have to submit a declaration in form “Mushak Ika” to the concerned Divisional Officer relating to input-output co-efficient of each goods produced or to be supplied on which tariff value has been fixed by the Board as per Sub-Section 7 of Section 5. The Divisional Officer after scrutiny of the declaration and upon modification, if necessary, of information received, shall approve the same and the registered person shall calculate and pay Value Added Tax and Supplementary Duty where applicable, under the tariff value on the basis of input-output co-efficient so approved.

Provided that the registered person must be given reasonable opportunity of being heard before any change or modification is made in the declaration submitted by that person.

3A. Price Declaration for determining Value Added Tax on services.— The Board may decide, by general or special order, the price declaration by the concerned registered person, procedures thereon in case of taxable services for determining Value Added Tax.

3AA. Exemption from the responsibility of price declaration.— The government, may by official Gazette notification declare under certain conditions exemption from price declaration of those goods or services on which as per the provisions of Sub-Section (2c) of Section 5, in production or service rendering stage, total Value Added Tax or Supplementary Duty or Value Added Tax and Supplementary Duty is realized through back calculation method.

3B. Procedure for supply of goods at uniform prices by the producers or importers.— Following procedures are to be followed by any producer at production stage and any importer at supply stage in the case of supply of any goods with printing on the goods or on the holder or the packet:

(a) Producers or importers shall before the supply of taxable goods declare the price as per procedures laid down in Rule 3 for determining Value Added Tax or Value Added Tax and Supplementary Duty where applicable, payable on the goods produced or imported:

But provided that, in case of such price declaration, declaration for production stage and all expenses, profit and commission upto final destination stage of the goods will have to be shown separately in “Mushak-1” or, as the case may be “Mushak-1kha”;

(b) Producers or importers shall provide undertaking to the Board to the effect that uniform price declared shall be printed on the goods or on the holder or packet in a noticeable manner and in indelible ink and that goods would be supplied throughout the country at such uniform price;

(c) Necessary documents in support of the undertaking stated in Clause (b) shall have to

be submitted to the Board;

(d) Specimen of goods with “VAT paid” printed either by the side or over or underneath the price printed on the goods or holder or packet will have to be submitted while furnishing documents required under Clause (c);

(e) Divisional Officer shall inform the concerned producer or importer on receipt of the approval of the Board and the goods can be supplied from the date fixed by him;

(f) Goods shall have to be supplied or sold with seal “all VAT paid at source” on “Mushak-11” Challan while supplying or selling goods from own sale centers or through distributors, dealers or agents.

4. Payment of Turnover Tax.— (1) Every supplier of taxable goods or service shall have to pay Turnover Tax at the rate mentioned in Section 8 on annual turnover when it does not exceed Taka 70 lakh.

(2) Any person subject to Turnover Tax under Sub-Rule (1) shall have to register with the Divisional Officer for payment of Turnover Tax. For this purpose he shall have to apply to the Divisional Officer in form “Mushak-6”. The Divisional Officer, when satisfied with the turnover of the applicant, shall register him within seven working days of the receipt of application and shall issue a certificate to this effect in form “Mushak-8”.

(2a) A declaration stating the projected turnover of the year and the manner of tax payment with first and second copy within thirty days of every next year from the date of enlistment under Sub-Rule (2) shall have to be made to the Divisional Officer in form “Mushak-2kha”. The Divisional Officer, upon satisfaction of the information stated in the declaration, shall approve it within next thirty working days and shall send a copy to the registered person.

Provided that the Divisional Officer can determine the reasonable turnover of the person when declared turnover does not appear to be acceptable to him on some reasonable grounds within thirty working days on the basis of the information received by him after giving the person reasonable opportunity of being heard.

(3) Any enlisted person shall have to pay Turnover Tax from the date of enlistment.

(4) The enlisted person can pay Turnover Tax at a time in year. In case of paying at a time in a year, the payable Turnover Tax shall have to be deposited to the treasury in Treasury Code 1/1133/0000/0313 within next thirty days of enlistment. Person paying the Turnover Tax once in a year shall have to submit the return once annually to the concerned Revenue Officer in form “Mushak-4” with main copy of Treasury Challan attached as an evidence of Turnover Tax payment.

(5) The enlisted person can also pay the Turnover Tax monthly or three monthly. In such case the enlisted person shall have to pay as per Sub-Rule (4) for monthly or quarterly basis, the one-twelfth or one-fourth respectively of the Turnover Tax within thirty days of enlistment. The rest Turnover Tax payable shall have to be paid in accordance with Sub-Rule (4) within fifteenth of the following month in case of monthly and within fifteenth after the expiry of three months in the case of quarterly

payments. Return in form “Mushak-4” together with the main copy of Treasury Challan as an evidence of Turnover Tax payment for different tax periods shall have to be submitted to the Revenue Officer within fifteenth day of expiry of every month or every three months (English calendar month) in the case of monthly or quarterly Turnover Tax payment.

(5a) In case of failure of submitting return within the stipulated time under Sub-Rule (5), within 7 (seven) days of the expiry of such period, the concerned Value Added Tax Officer will serve notice to the enlisted person for submission of return paying the payable Turnover Tax within the time-limit mentioned in the notice and its copy has to be sent to the concerned Divisional Officer.

(5b) In case of failure of submitting return after payment of taxes within the time-limit mentioned in the notice served under Sub-Rule (5a), case has to be filed against the organization and it has to be sent to the Divisional Officer for adjudication.

(6) to (13) Omitted.

(13a) Divisional Officer can impose two percent per month interest on the arrear including penalty not exceeding Taka five thousand when the registered person fails to pay annual Turnover Tax as determined by the Divisional Officer in accordance with the manner prescribed in Sub-Rule (4) or Sub-Rule (5) or the enlisted person fails to comply with the provisions laid down in Sub-Rule (2a).

(14) Any Government dues related to Turnover Tax shall be recoverable as per procedures stated in section 56.

(15) Steps may be taken in accordance with section 67 for refund of any Turnover Tax paid in excess due to inadvertence.

(16) Person paying Turnover Tax while supplying goods or providing services from the place of production or manufacture of his goods shall maintain the accounts of transactions in form “Mushak-17a” and shall mention his enlistment number clearly on the cash memo issued.

(17) This Rule shall not be applicable in the case of any self-registered person under Section 17 for payment of Value Added Tax on supply of goods or services or in case of supplier of goods or provider of services stated in the order issued under Sub-Section (4) of Section 8.

(18) The enlisted person shall have to apply to the concerned local Value Added Tax office in form “Mushak-6” for registration under Section 15 together with that for cancellation of enlistment number when his actual annual turnover exceeds the amount stated in Sub-rule (1) any time after enlistment.

(19) The Divisional Officer shall send to the Commissioner every month the information on the number of enlistment and collection of Turnover Tax till that month including the name, address, nature of business along with the amount of annual turnover of the enlisted organizations of the previous month.

(20) The Commissioner, on receipt of information under Sub-Rule (19), as

soon as possible, examine the annual turnover related information of the enlisted person, and on completion of such examination if it appears to the Commissioner that the enlisted person has been enlisted providing any wrong or incorrect information or turnover has been fixed less because of such information; in that case, the Commissioner serving notice to the enlisted person within ten working days will provide opportunity to give statement for self-defense and if Commissioner is not satisfied with the reply thereof, giving him appropriate opportunity of being heard in presence of the Divisional Officer—

(a) will refix the turnover of the enlisted person; or

(b) will issue order to the concerned person to pay Value Added Tax in applicable rate from the date of enlistment canceling Turnover Tax enlistment.

5. Empowerment of Value Added Tax Officer.— The Board may empower any Value Added Tax Officer to exercise any power derived from the Act or the Rules.

6. Application of power of other officers by the Commissioner.— the Commissioner may exercise any or all powers vested in or entrusted upon any officer under these Rules.

7. Inspection, search and seizure of the place of manufacture, service rendering, trade, residence and vehicles.— (1) A Value Added Tax Officer not below the rank of an Assistant Commissioner or a Value Added Tax officer authorized by him for the purpose, can obstruct or enter into any vehicle, inspect and search the goods carried on by it and can ask the driver or possessor or supplier or receiver of goods or their representative to show Challan necessary on the spot to carry goods when there is any allegation or he has information or has sufficient reason to believe that taxable goods or Turnover Taxable goods being stored, loaded or carried on by the vehicle or being stored or supplied or loaded or carried evading taxes:

Provided that the officer giving such order of empowerment of seizure or search or inspection of vehicles or residence or place of business or rendering of service or place of production shall mention the name and position of the officer authorized to inspect, search or seize the vehicle on proper grounds defining precisely the area and goods or class of goods and in conducting functions under this Sub-Rule the concerned authorized officer shall carry his identity card with him and if necessary shall show it to the concerned person.

(2) Concerned officer shall mention the date and place along with his signature and seal at the back of concerned Challan, when satisfied, in course of inspection and search of the vehicle as per Sub-Rule (1) that no goods were carried without payment of tax.

(3) The officer shall seize the goods including the vehicle in course of search and seizure under Sub-Rule(1) when it appears to him that any goods have been carried on without proper Challan evading tax on delivery of a receipt memo in form "Mushak-5" to the driver, passenger or receiver of the goods or the representatives and in other cases will seize the papers and commercial documents in support of the related evidence

of the evasion of tax or Turnover Tax on the supply of goods or services.

(3a) Notwithstanding anything contained in Sub-Rule (3) excepting tax collection from brick field under Seasonal Brick Field Value Added Tax Rule, 2004, when goods seized and the vehicle carrying those appear to belong to same and a registered person, the officer shall upon seizure of identity cards, Challan of goods if available, and other documents of the driver of the vehicle carrying the seized goods or possessor or supplier of goods or receiver or their representatives hereinafter referred to as supplier, release the goods and the vehicle instantly after collecting the signature of the supplier in two copies of form "Mushak-5ka" pending adjudication of the goods.

(3b) If an undertaking is given to the effect that the vehicle shall be presented at the place, time and in the manner directed by the adjudicating officer to ensure justice and when fails to present as such, shall be liable to prosecution under section 37, when the owner of the seized goods or vehicle carrying those appeals for interim release in course of adjudication, the concerned adjudicating officer shall release the goods in favor of the applicant within 24 hours of application.

(4) For every inspection, search and seizure as per Sub Rules (2) and (3) the officer conducting such activities shall submit to his controlling officer or officer issuing such order a written report within one working day or if not possible, within two extended working days stating the reasons of delay and the controlling officer or, as the case may be, the officer issuing such order shall maintain a register in their office recording the number of the vehicle, name of the goods, quantity and name of the supplier and receiver based on the report of the vehicle inspected, searched and seized.

(5) Deleted.

8. Sample Collection.—Supplier of taxable goods shall be obligated to supply sample of goods supplied by him or of inputs used in the production or manufacture of those goods to any Value Added Tax officer, hereinafter referred to the said Officer who shall return the sample to the owner of the goods within no more than 15 (fifteen) working days of receiving the sample after completing the purpose thereon:

Provided that if the works can not be completed within the fixed thirty days time, citing the reasons for not completing the works, the said officer has to inform within the fixed thirty days time that within the next how many days the sample can be returned to the owner completing the works:

Provided further that the next time limit fixed by the said officer in no way will be more than thirty days.

9. Procedures for Registration.— (1) When annual turnover of any taxable supplier of goods or service does not exceed Taka seventy lakh, he has to apply for registration in form "Mushak-6" to the Divisional Officer or to any officer not below the rank of Assistant Commissioner so directed by the Board and if necessary in online methods prescribed as per Board's order.

(2) Any person exempt from registration requirement under Section 16 shall have to apply to the Divisional Officer or to any officer not below the rank of an Assistant

Commissioner so decided by the Board within thirty days of the expiry of the said time period, if his turnover is minimum Taka sixty lakh (inadvertently not corrected in the Rule as seventy lakh) during a continuous twelve months period following the turnover of the supply of taxable goods or rendering of taxable services being considered exempted.

(3) Person intending to trade in taxable goods or supplies when projects his annual turnover at a minimum of Taka sixty lakh (inadvertently not corrected in the Rule as seventy lakh) shall have to apply for registration before the commencement of business to the Divisional Office or to the officer not below the rank of Assistant Commissioner so decided by the Board's order.

(4) Only one registration will be necessary when more than one taxable goods supply or service rendering or import or export business are carried out from any place of taxable goods manufacturing or place of production or place of supply or place of rendering of taxable service or import or export business.

(5) Person required to be registered shall submit a declaration in form "Mushak-7" along with application for registration containing the description of the premises, plant, capital machinery and fittings used in the production or manufacture of taxable goods or rendering of service or purchase and sale and storage and goods to be produced or services to be rendered and their main inputs.

(6) Any person exporting or importing any goods shall have to apply for registration mentioned in Sub-Rule (1) to the Divisional Officer or to the officer not below the rank of Assistant Commissioner directed for the purpose by the Board.

10. Self Registration.— Person exempt from registration under Section 16 of the Act, if he so desires for self registration shall have to apply to the Divisional Office for registration before at least thirty days of the commencement of the tax period from which registration is desired and self registered person shall be obliged to pay Value Added Tax and as the case may be, Supplementary Duty where applicable, for the tax period from the date of registration.

11. Delivery of Registration Certificate.— (1) Application for registration when considered acceptable subject to acceptance of necessary documents by the Divisional Officer or by any officer not below the rank of Assistant Commissioner directed for the purpose by the Board, he would, within 2 (two) working days of the receipt of application issue a registration certificate to the applicant in form "Mushak-8" directly or, as the case may be through online.

(1a) The officer issuing the registration certificate under Sub-Rule (1) when convinced upon necessary inquiry or in any other manner that information provided in the application are not true, can cancel the registration as per provisions of Section 19 after giving the registered person reasonable opportunity of being heard.

(2) The Divisional Officer shall register a person failing to mention Import Registration Number in serial 10 of form "Mushak-6" on condition of submission of Import Registration Number within time considered reasonable by him.

(3) If any registered person or organization opens any bank account in addition to the bank account mentioned in serial 8 of form “Mushak-6”, then within 14 (fourteen) days of the opening of such bank account he will send to the concerned Value Added Tax Office detailed information regarding the bank account.

11A. Deleted.

12. Change of business place or of status.— (1) In the case of any change of business place or of status of a registered person, he shall submit a declaration to the local Value Added Tax office and if applicable, to the offices in form “Mushak-9” before 14 days of such change after full payment of all arrear Value Added Tax or Supplementary Duty or Turnover Tax or other dues.

(2) If any registered person wants to abstain from conducting any activity of supply of taxable goods or rendering of service or import of taxable goods or export of any goods or service, he will inform it to the local Value Added Tax office before about twenty four hours, and within five working days of such intimation the local Value Added Tax office will in addition to taking on the spot stock of the manufactured goods or service or raw-materials stored will prepare a statement of all liabilities and matters under process of the organization and will send it to the Divisional Officer with signature of the authorized representative of the concerned organization.

But provided that, in the case of temporary suspension of production or pause in rendering of service, the related matter will have to be informed only to the local Value Added Tax office, and within 24 (twenty four) hours of such intimation, the appropriate officer of the office will take on the spot stock of the stored raw-materials and goods produced or services of the registered person.

(3) If any registered person abstains from conducting business of the supply of taxable goods or rendering of service or import of taxable goods or export of any goods or service and if wants to restart it afterwards, before minimum twenty four hours of such restart the related matters will have to be informed to the Value Added Tax office.

13. Exhibition of Registration Certificate, etc.— Any registered person—

(a) shall in bound form or as the case may be, in the manner of fixing with the wall preserve the Registration Certificate or any other order, circular or poster or any other papers as directed by the Board for the purpose, in an easily noticeable place of the premises from where supply of goods or rendering of services or import or export of goods are done;

(b) will write his Registration Number in such letters in the identity showing signboard or plate of his place of production or place of rendering of service or place of business so that it becomes easily noticeable.

14. Change or rectification of Registration Certificate by the Commissioner.— In any time the Commissioner can direct the concerned registered person to submit the Registration Certificate to him for necessary change or rectification.

15. Cancellation of Registration.— (1) Any registered or enlisted person can submit

application to the local Value Added Tax office in form “Mushak-10” for the purpose of canceling his registration or enlistment under any of the following circumstances:

- (a) being abstain from manufacture or production or sale of taxable goods or rendering of taxable service or import or export of any goods;
- (b) taxable goods or service is declared as exempted goods or service;
- (c) failing to start the business of production or manufacturing or supply of taxable goods or rendering of service following being registered;
- (d) the turnover becomes less than Taka sixty lakh (should be seventy lakh as modified in other Sections) in the next one year from the date of registration of a voluntarily registered person as per Section 17 of the Act;
- (e) if the annual turnover of any registered person is less than Taka sixty lakh (should be seventy lakh as modified in other Sections).

(2) On the basis of the recommendation made by the Revenue Officer on proper inquiry, if the Divisional Officer is satisfied with reasonable grounds that any registered or enlisted person is not conducting business or there lies no more obligation of the person to remain registered or enlisted, then, he will be able to cancel the registration or enlistment number of the registered or enlisted person serving notices 2 (two) times with reasonable time gap;

(3) If the registration or enlistment of any person is cancelled under Sub-Rule (2), the concerned person will immediately stop all activities as a registered or enlisted person and will stop use of all documents issued under this Act.

(4) Within 30 (thirty) days of cancellation of registration or enlistment under Sub-Rule (2), the concerned person will have to submit a final return paying all arrear taxes (if any).

16. Delivery of Challan in the case of supply or export of taxable goods.— (1) Any registered person shall have to issue two-sided carboned Challan in form “Mushak-11” or in any other form approved by the Board for the purpose through official gazette notification for the supply of every goods and three copies of the Challan has to be prepared, of them the main copy of Challan shall have to be kept with the goods upto destination mentioned therein and the buyer if registered, shall retain the copy of Challan at least for 6 years in his business place and the second copy of Challan must reach local Value Added Tax Office within 5 (five) working days of supply of goods and third copy must be attached with Challan register and retained for at least 6 years in the place of manufacture or production or business.

Provided that in the case of supply of mechanical vessel or motorized vehicle, the main copy of Challan must be submitted to the registration authority for registration of the vessel or vehicle.

Provided further that a Challan in form “Mushak-11” or in “Mushak-11A” in double-sided carbon for each supply to an unregistered person by the trader has to be given and second copy of the Challan must be attached with Challan register and retained in

the business place for at least for 6 years.

(2) Registered person when supplied goods, produced or manufactured or stored by him, for internal consumption, in the place of production, manufacturer or trading, shall issue a combined Challan at day's end to self in the form mentioned in Sub-Rule (1) and the main and the third copy of the Challan must be retained in the place of production or manufacture of goods or trading and second copy must be submitted to the local Value Added Tax Office within seventy two hours.

(3) For exports, procedures mentioned in Sub-Rule (1) for the issue of Challan shall have to be followed.

(3a) Notwithstanding anything contained in Sub-Rule (1) (2) and (3), the Commissioner can permit, by special order in every case, any specific class of goods or organization or person for the issue of computerized Challan.

(3b) Notwithstanding anything contained in Sub-Rule (1) and (2), if any registered person is interested to issue Challan in own format, he can prepare and issue "Mushak-11" Challan with own additional information keeping the information of form "Mushak-11" unaltered.

(3c) While supplying inputs to the producer the owner of the goods under contractual production will issue a Challan in form "Mushak-11ga" with double-sided carbon and the second copy of the Challan will be preserved in the place of business for at least four years being attached with the Challan Register.

(3d) The contractual producer will be able to supply the goods produced under contractual production agreement only in favor of the registered address of the owner and in the case of supply of the goods provisions of Sub-Rule (1) will be followed.

(4) Challan issued by a registered person in the manner described in Sub-Rule (1), (2), (3), (3a), (3b) and (3d) in form "Mushak-11" and inputs allowed against it can be examined for reasonability by the Revenue Officer, Value Added Tax Office or any senior officer, through form 'Mushak-11kha'.

17. Issuance of Challan on the Supply or Export of Services.— (1) In the case of rendering of service or export of service, the registered person shall prepare three copies of Challan in the form mentioned in Sub-Rule (1) of Rule 16 or in the case of service rendering by lawyer, immigration adviser, coaching center and English medium school in the form "Mushak-11gha" using two-sided carbon and of the Challan prepared—

(a) the main copy will be given to the purchaser of service or receiver and if the purchaser of service or receiver is registered then he will preserve the copy of Challan in his own business premises for a minimum period of six years;

(b) the second copy will have to be reached to the local Value Added Tax Office within (five) working days of the rendering of service; and

(c) the third copy will be preserved in the place of rendering of service for a period of minimum six years being attached with the Challan register.

(2) Challanpatra (Mushak-11) and attested or original copy of concerned Treasury Challan will have to be submitted to the registration authority while registering land developed by land developer organization or apartment constructed by realtor or shop or registration of land sold by land seller.

(2a) Notwithstanding anything contained in Sub-Rule (1) and (2), the Commissioner can permit, by special order in every case, any specific class of goods or organization or person for issuance of computerized Challan.

(2b) Notwithstanding anything contained in Sub-Rule (1) and (2), if any registered person is interested to issue Challan in own format, he can prepare and issue "Mushak-11" Challan with own additional information keeping the information of form "Mushak-11" unaltered.

(3) Challan issued by a registered person in the manner described in Sub-Rule (1), (1a) and (1b) and inputs allowed against it can be examined for reasonability by the Revenue Officer, Value Added Tax Office or any senior officer, through form 'Mushak-11kha'.

17A. Credit Notes and Debit Notes.— (1) When it is necessary to cancel the Challan after its completion and delivery by a registered person or after adjustment of tax payable in the Current Account or after supply of service or delivery of goods those are returned partially or in full or nature of supply of goods or service is fundamentally changed or excess tax is cited in the Challan than the actual tax payable; in that case, the registered person shall issue a Credit Note in form "Mushak-12" in favor of the receiver of goods or services canceling the Challan with the purpose of making adjustment in the Current Account or as the case may be in the next return, the tax shown in the cancelled Challan, or tax paid on the returned goods or supplies or excess tax shown in the Challan and shall send a copy of it to the Revenue Officer of concerned Circle within next working day:

Provided that,

(a) in case of partial or full return of the goods or services after the supply of goods or rendering or service, if after ninety days of delivery of goods or services from the factory or place of business, it is returned;

(b) if the supplied goods or services are withdrawn for reasons of poor quality of the goods;

this Rule will not be applicable to such registered person.

(2) When it appears after completion or delivery of Challan or adjustment of tax payable in the Current Account or after the supply of goods or services that tax payable has been shown less in the Challan than what should have been payable actually against supplyable or supplied goods or services by any registered person, he shall then cancel the Challan and issue a Debit Note in form "Mushak-12ka" in favor of the receiver of goods or supplier mentioning the actual tax payable and shall submit a copy of it to the Revenue Officer of the concerned Circle within

next working day and simultaneously shall adjust the matter in the Current Account or as the case may be in the subsequent return.

18. Delivery of Challan for imported goods.— (1) When registered supplier is a direct importer, concerned Bill of Entry, where Value Added Tax paid at import stage shown separately shall be deemed to be Challan for input tax credit.

(2) Three copies of Challan has to be prepared while supplying goods imported by commercial importers, of them—

(a) the main copy shall have to be given to the buyer;

(b) the second copy shall have to be submitted to the local Value Added Tax Office within 5 (five) working days of the supply of goods;

(c) the third copy shall have to be preserved for a period of minimum six years being attached with the Challan register.

(3) Notwithstanding anything contained in Sub-Rule (2) the Commissioner, by special order, can give approval to computerized challan for any class of goods or organizations or persons.

18A. Value Added Tax deduction at source by the recipient of supply.— (1) The following organizations or establishments, hereinafter referred to as 'Value Added Tax deductor at source' shall have to deduct Value Added Tax at source while taking service, viz:

(a) government, semi-government or autonomous bodies;

(b) NGO;

(c) bank, insurance organization and any other financial institution;

(d) limited company; or

(e) educational institution.

(2) The registered person while supplying service to the Value Added Tax deductor at source against tender or work order —

(a) shall issue Value Added Tax Challan in actual rate;

(b) shall mention the amount of total Value Added Tax in any sales Challan or commercial documents issued;

(c) shall mention the matter of supply of service against tender or work order and his Value Added Tax registration number in sales Challan or commercial documents.

(3) The payable total Value Added Tax shall be deducted by bank or any other financial institution while making payment by the service recipient under Clause (d) of Sub-Section (3) of Section 3 and Clause (d) of Sub-Section (3) of Section 6 of this Act.

Explanation: For the purposes of this Act NGO means any non-government organization registered under NGO Affairs Bureau or, as the case may be, concerned ministry,

division or directorate.

18B. Certification of the Value Added Tax deducted at source.— (1) The Value Added Tax deductor at source shall deposit the deducted money to the government treasury within 15 (fifteen) working days of the deduction of Value Added Tax in the concerned Commissionerate code of the deductor.

(2) The deductor within no more than 5 (five) working days after depositing the deducted money to the government treasury under Sub-Rule (1) shall send a certificate in form “Mushak-12kha” (with original copy of Treasury Challan) to the concerned Circle of VAT deductor and a copy (with photocopy of the Treasury Challan) to the service renderer and the deductor at source shall preserve a copy of the certificate for a period of 6 (six) years.

(3) The deductor at source shall mention the amount of Value Added Tax deducted at source in the concerned tax period against serial number 5 of “Form Mushak-19” and the supplier shall mention the amount of VAT deducted at source in the serial number 19 of the said form in the tax period of the issuance of certification to him or in the immediate next tax period.

18C. Deleted.

18D. Deleted.

18E. Value Added Tax deduction at source in case of miscellaneous fees, royalty, charge etc.— (1) Under any other Act for the time being in force, if any government, semi-government, autonomous and local authorities—

(a) issues or renews license, registration, permit, then Value Added Tax has to be deducted at source from the recipient of the service on total receipt;

(b) Value Added Tax shall have to be deducted and realized at source from the person receiving such facilities on the total consideration received or receivable, of revenue sharing, royalty, commission, charge, fees or receiveables in any other manner under the conditions cited in the permit, license, registration given.

(2) While giving connection of water, electricity, gas and telephone, the concerned connection giving organization shall deduct and realize Value Added Tax at source on the total receipt received from the person receiving such facilities.

19. Procedures of input tax credit.— (1) Any registered person can obtain input tax credit of Value Added Tax under Section 9 and where applicable, Value Added Tax and other taxes, duties under Section 13 in the tax period against output tax payable by him in the same tax period for supply of goods or services.

(1a) Notwithstanding anything contained in Sub-Rule (1), used in such place, establishment or premises and related to the production of taxable goods or supply or provision of taxable services—

(a) eighty percent of the Value Added Tax paid on insurance, gas and electricity distribution; and

(b) sixty percent of the Value Added Tax paid on telephone, teleprinter, fax, internet, freight forwarders, clearing and forwarding agent, WASA, audit and accounting firm, procurement provider, security service, lawyer, transport contractor and letter of credit can be taken credit.

(2) For the supply of taxable goods or services the registered person shall record in column "credit" of Current Account as shown in form "Mushak-18" all inputs bought by him, bill of entry bearing his registration number, Challan or in case of provision of service including Treasury Challan, all input tax paid on the inputs after their entrance into the place of manufacture or production or business.

(2a) Input tax under Sub-Rule (2) can be adjusted after recording in the Current Account against output tax of the tax period in which tax payers goods enter into the place of production, manufacture or business. Input tax where exceeds output tax, the excess shall be shown as a balance in the Current Account which can be adjusted against output tax of subsequent tax period and when in any tax period output tax exceeds input tax, the excess amount of output tax has to be deposited to the government treasury in cash.

(3) A registered person supplying taxable and exempt goods can obtain credit of input tax paid on the inputs bought by him after their entrance into the place of manufacture, production or trading, recording in the column "credit" of Current Account against output tax payable on the supply of taxable goods. He has to make necessary adjustment in the Current Account the amount of Value Added Tax paid on the inputs used in the manufacture or production or in trading or in the sale or purchase of exempt goods in the tax period and this shall have to be shown in the return of the tax period.

(4) A registered person supplying taxable goods and exporting goods using inputs in the manufacture or production after paying Value Added Tax including other taxes and duties can obtain credit of Value Added Tax paid on inputs bought after their entrance into his place of manufacture or production against output tax payable on the supply of taxable goods, recording in the column "credit" of the Current Account. He can obtain credit on Supplementary Duty, import duty, excise duty and other duties and taxes (excepting Advance Income Tax) paid after the end of concerned tax period on the inputs used in the manufacture or production of exported goods, recording in the column "credit" of the Current Account and shall show this in the return of the tax period.

(5) Any registered person supplying taxable services, can obtain input tax credit in the same tax period in which he has paid input tax on the use of inputs used in the supply of services against output tax payable for the tax period and if tax payable after input tax credit in the concerned tax period exceeds the input tax, the excess shall have to be deposited to the government treasury and if input tax is excess than the tax payable, the excess input tax can be carried forward as a balance mentioning in the "balance" column of the Current Account and can be adjusted against tax payable.

(5a) Any registered person supplying both taxable and exempt services, can obtain input tax credit only on the tax paid on inputs used in the provision of taxable services.

(5b) Any registered person supplying taxable services and exporting such services where inputs have been used after payment of Value Added Tax and other duties and taxes can obtain credit of the amount of taxes and duties (except Advance Income Tax) paid on the inputs of zero rated exports after the end of the tax period as per section 13 against tax payable on the supply of taxable services in the tax period and in case of such receipt shall show this in the return of the concerned tax period.

(6) Person paying Turnover Tax, person enjoying the privilege of cottage industry and manufacturer of exempted goods cannot obtain input tax credit of Value Added Tax paid on the inputs used in the production.

(7) Producer of goods on contractual basis can take input tax credit of the Value Added Tax on any other inputs on condition that it remains included in the declared value of the goods complying with the provisions of Section 9 of the Act excepting the inputs supplied by the owner used in the production of the goods.

20. Deleted.

21. Credit of tax paid on stock during enactment of the law.— (1) Any registered person can obtain input tax credit of ten percent of the value of stock of two months average or value of actual stock whichever is lower when he holds stock of inputs on the day of the enactment of Value Added Tax Act where excise duty or sales tax has been paid or after any day of the enforcement of Value Added Tax Act if inputs remain in the stock for the production of any goods which have been brought under the purview of Value Added Tax anew.

Explanation.— The value of the average stock of the above two months will be determined in the following methods whichever is applicable:

(a) on the basis of average monthly value of stocks used after payment of sales tax or excise duty immediately three months before 1 July 1991; or

(b) if the registered person is not engaged in the production or manufacture of goods during the period mentioned in Clause (a), on the basis of the average stock of the last three months; or

(c) on the basis of the price of inputs of full two months used in production on payment of sales tax or excise duty, when the registered person has been engaged in the production or manufacture for less than three months; or

(d) on the basis of the price of inputs in actual stock on which sales tax or excise duty has been paid when actual stock falls short of two months average stock as determined under any of the above methods; and

(e) price of the inputs in stock shall be, in the case of sales tax paid inputs, the price on the basis of which sales tax has been paid and in the case of the excise duty paid inputs, the price on the basis of which excise duty has been paid.

(2) In the case of stock of inputs, registered person eligible to obtain credit shall have to submit to the local Value Added Tax Officer, two copies of declaration in form "Mushak-15" relating to stock of inputs on the effective date of the Act or within seven days of

bringing the goods under Value Added Tax anew and the Revenue Officer shall recommend to the Divisional Officer considering the reasonability of the declared stocks upon proper inquiry and shall hand over a copy of the declaration to the registered person on the basis of which the registered person can obtain credit primarily of creditable amount against input tax.

(3) The Divisional Officer shall finally decide upon the amount of credit on the basis of recommendation mentioned in Sub-Rule (2) upon proper verification and scrutiny of the matter and in the case of any difference of it with that mentioned as per Sub-Rule (2), shall direct for necessary adjustment in the Current Account and return.

22. Accounts Keeping.— (1) Any registered person shall have to maintain properly the following books at the place of his production of goods or manufacture or trading or place of service rendering, viz:

(a) **Accounts Book for Purchase.**— information relating to the purchase of taxable and exempt goods or service shall have to be entered in this book in form “Mushak-16”;

(b) **Accounts Book for Sales.**— information relating to the supply of taxable and exempt goods or services or exports shall have to be entered in this book in form “Mushak-17”;

(c) **Accounts Book for Challans.**— Printed Challans in form “Mushak-11” and as the case may be “Mushak-11ka” or “Mushak-11ga” or “Mushak-11gha” in binding status have to be preserved in such a manner so that any page of it can not be removed without tearing it and numbers have to be printed on the Challans serially; and

(d) **Current Account Book.**— records of transactions, output tax payable, deposit into treasury, amount of creditable input tax and related information shall have to be recorded in this book as per form “Mushak-18” and such amount should be deposited into the government treasury from time to time so that with the deposit and input tax credit together output tax payable can be paid at any time;

The registered person shall send the original Treasury Challan received against deposit of money in the above procedure to the office of the Revenue Officer within three working days of its receipt.

(e) Deleted;

(f) Deleted;

(1a) The Commissioner on the application of the registered person can permit to maintain computerized books of accounts regardless of the provisions in Sub-Rule (1) on condition of preservation of computerized copy of accounts at the place of production, manufacture or trading or service rendering or any other condition specified by Commissioner.

(1b) If a contractual manufacturer produces any Value Added Tax imposable goods in the same premises, he will maintain the accounts separately as per the provisions

of law for the goods produced on contractual basis and own goods produced.

(2) Any registered person shall maintain the accounts of production or manufacture of goods or raw materials, services, machinery or parts thereof used in the supply of services or any bill paid by him or any treasury deposit or accounts related to production or manufacture of goods in the manner so that it can be easily audited.

(3) Notwithstanding anything contained in Sub-Rule (1), (1a), (1b) and (2), the National Board of Revenue can issue order to use Electronic Cash Register or computer or any other electronic appliances or software for maintenance of accounts, issuance of Challan etc. for any goods or class of goods or service.

23. Payment of tax.— (1) For supply of goods and provision of services by any registered person, the payable tax as per Section 3 of the Act or, as the case may be, Section 3 and Section 7 or any other government dues has to be paid respectively through adjustment in Current Account described in Rule 22 and before submission of return described in Sub-Rule (3) of Rule 24, deducting creditable input tax from the payable output tax of the concerned tax period or any other government dues, the neat amount of money has to be deposited to the treasury.

(2) Registered person shall determine the tax payable on the Challan before removal of goods from the place of production or manufacture or trading and in the course of removal of goods shall pay the tax by adjusting in the Current Account as necessary and for this purpose there should be adequate balance in his Current Account.

Provided that in the case where form “Mushak-11ka” applies, value with tax shall be multiplied by $\frac{3}{23}$ to determine tax payable and at the end of the day only one adjustment would be necessary in the Current Account “Mushak-18”.

(3) Where Value Added Tax is shown separately in the Challan against supply of goods or provision of services by the supplier of goods or provider of services, value mentioned in Sub-Section (2) or (4) of Section 5 shall be deemed to be the base value for determination of Value Added Tax.

(4) When Value Added Tax shall not be shown separately in the Challan issued against supply of goods or provision of services by the supplier of goods or provider of services, in that case, the payable Value Added Tax shall be determined by multiplying the received or receivable gross sale price including the Value Added Tax with $\frac{15}{115}$.

24. Submission of return.— (1) Every producer, manufacturer of taxable goods or supplier of taxable services shall have to submit two copies of return in form “Mushak-19” for each tax period to the local office of Value Added Tax within 15th day of the next month:

Provided that if there is holiday on day 15th day, return in form “Mushak-19” has to be submitted in proper manner must in the day before 15th;

Further provided that any insurance company can submit return within 20th day of the month following the tax period.

(2) A person who supplies or exports taxable goods after production or manufacturing he shall have to attach the following documents with return, viz:

(a) main copy of Current Account (where applicable); and

(b) any other document demanded by the Commissioner.

(3) Person supplying or exporting taxable services shall have to submit the following documents with the return, viz:

(a) first and second copy of Treasury Challan (if applicable) as an evidence of payment of tax payable for the concerned tax period;

(d) any other document demanded by the Commissioner.

25. Examination of return.— (1) Return submitted by registered person as per Rule 24 along with information and documents submitted therein, when considered proper without prejudice to the provisions of Sub-Section (4) of Section 36 by the Assistant Revenue Officer in charge of the concerned revenue zone and the Revenue Officer of the local Value Added Tax Office upon examination, they will certify according their signatures and seal and concerned Revenue Officer shall return the copy of the return so certified to the registered person within a maximum period of 30 (thirty) days and the main copy has to be sent to the Commissioner.

(2) Based on the return mentioned in Sub-Rule (1), the Commissioner shall take necessary actions to make sure whether the person submitting the return for the concerned tax period has properly paid output tax and whether has obtained input tax credit.

(3) When producer, or manufacturer of taxable goods or provider of services export those either fully or in part, but in each tax period his payment of creditable input tax exceeds output tax payable the, Commissioner shall send the main copy of the return submitted by the producer or manufacturer or service renderer to the Duty Exemption and Drawback Office hereinafter referred to as the Directorate within 30 days for necessary action.

(4) Any registered person required to submit return of any tax period as per Rule 24 when fails to submit it to local Value Added Tax Office in due time, the Assistant Revenue Officer in charge of the concerned revenue zone shall inform the Divisional Officer through concerned Revenue Officer within 7 days of expiry of the submission date for taking necessary action against the registered person under section 37.

26. Submission of final return.— Any person registered as per Rule 15 when applies for cancellation of registration, the Divisional Officer after determining his unsettled liability if any, of Value Added Tax or Supplementary Duty, shall direct the applicant to submit final return within 30 (thirty) days.

27. Export procedures.— (1) An yearly serial number and the name of the exporter or other mark if any, have to be mentioned in indelible ink on each package used for

exports and should be sealed as "for exports" in the same way.

(2) Any exporter wishing to complete the examination of exportable goods at the place of production or any other place shall have to submit application in form "Mushak-20" in four copies and main and second copies of Challan to the local Value Added Tax Office before at least twenty four hours of removal of goods from the place of production, manufacture or other approved place for sending them to the port of export and any officer not below the rank of Assistant Revenue Officer shall, at the direction of the Revenue Officer, complete the examination being present personally in the place of production, manufacture or any other approved place within twelve hours of such direction and when satisfied that goods presented to him for examination are fully similar with those described in the application, the officer shall put on each package seal inscribed with "examined by Value Added Tax Department" and he would return the main, second and third copies of the application and main copy Challan to the exporter after stating "examination has been complete" and with his signature and seal on four copies of the application and on main and second copies of Challan and shall submit the fourth copy of application and second copy of Challan to the local Value Added Tax Office and thereby shall give permission for the export of goods to be sent to the port of export.

(3) When as per Sub-Rule (2) Challan of any goods reaches the port of export, Customs Officer shall accord permission for export when packages with seal are found intact after necessary verification and shall certify in the main, second and third copies of the application and main copy of Challan as "export has been completed".

(4) Assistant Commissioner or any officer above the rank can order for reexamination of goods examined as per Sub-Rule (2) at port of export.

(5) Any exporter wishing exportable goods examined at the port shall after preparing the Challan of exportable goods as per Sub-Rule (1) submit four copies of the application and main and second copies of Challan to the local Value Added Tax Office. Then any officer under the concerned Revenue Officer, at his direction shall return the main, second and third copies of application and main copy of Challan to the exporter mentioning "examination would be completed at the port of export" on four copies of the application and on the main and second copies of Challan and he shall then give permission for sending the goods at the port of export after submitting fourth copy of the application and second copy of the Challan to local Value Added Tax Office.

(6) Exportable goods as mentioned in Sub-Rule (5) when reach the port of export, the exporter shall present before the Customs Officer main, second and third copies of application and main copy of Challan for examination and the Customs Officer when satisfied about the corrections of description in the application and the Challan after proper inspection, shall accord permission for the export of goods and he shall certify "export has been completed" on the main, second and third copies of the application and on the main copy of the Challan.

(7) Second copy of the application shall have to be retained at the Customs Station of the port when export is completed as per Sub-Rules (3) and (6). Main and third copies of the application and main copy of the Challan have to be returned to the exporter who shall

submit the third copy to the local Value Added Tax Office within 7 (seven) working days of receipt.

(8) After completion of exports in the case of postal delivery of exports, principal officer of foreign post office shall handover the second copy of the application to the Customs Officer of the foreign post office certifying as “export has been completed” on the main, second and third copies of application and main copy of Challan. The main and third copy of application and main copy of Challan shall be returned to the exporter and the exporter shall submit the third copy to the local Value Added Tax Office within 7 (seven) working days of receipt.

(9) The provisions incorporated from Sub-Rules (1) to (8) shall not be applicable to the following cases, namely:

(a) exportable or exported goods or services by hundred percent export oriented industries; and

(b) goods or services exported or exportable those are exempted from Value Added Tax.

(10) Whatever different may be contained in this Rule, other exporters excepting producer exporters, in case of the export of goods and services collected against Back-to-Back Letter of Credit, after completing the functions of export and keeping the Value Added Tax Officer informed shall send the goods or services directly to the export stations from the premises of the supplier of goods and services.

28. Drawback on export.— (1) Any registered exporter unable to obtain credit of input tax through adjustment in the Current Account paid on the inputs used in the production, manufacture of goods or services exported by him, shall have to open a bank account in the manner prescribed by the Directorate when he wants to obtain drawback from it.

(2) Any exporter wishing to enjoy the privilege of “established exporter” shall have to apply to the Directorate through local Value Added Tax Office in form “Mushak-21” and the directorate when satisfied about the export performances of the concerned exporter for twelve months preceeding the date of application, shall enlist him as an “established exporter”.

29. Export drawback on the basis of returns.— (1) Any exporter engaged in the manufacture or production of taxable goods or providing taxable services, where the requirement for payment of output tax exists but in each tax period, creditable tax on exports exceeds the output tax payable, he and any hundred percent exporter of taxable goods produced or manufactured or services provided would have to pay output tax when such goods or services are supplied or provided within the country, can obtain tax drawback on the basis of return.

(2) Any return sent by the Commissioner to the Directorate for export drawback shall be deemed to be an application for drawback.

(3) The officer authorized for the purpose by the Director General of the Directorate, henceforth called Director General, shall examine the return carefully,

shall also consider the normal input-output or pre-determined coefficient if any, of the exported goods or services and when goods or services have been supplied by the registered person during concerned tax period, shall recommend to the Director General after considering copies of bill of export as a proof of export and bill of lading, amount of credit allowed against output tax payable if satisfied for payment of the drawback amount determined by him and the Director General, based on the recommendation, shall arrange for deposit of the amount in the bank account of the concerned exporter through cheque and shall send him a letter with that information by registered post and the Director General on his own accord or on the application of the concerned exporter can direct for examination of the return.

(4) The Director General shall have to deposit the drawback amount determined on the basis of primary audit in the bank account of the exporter within seven days of receipt of return from the Commissioner in the case of exporter listed as “established exporter” and in this case, the drawback amount in any tax period, shall not exceed monthly drawback average of twelve months preceeding the tax period plus twenty percent of it, the amount so determined on the basis of primary audit if discrepancy found subsequently, shall be adjusted through next return.

(5) In the case of exporters not listed as “established exporter” the amount of drawback shall have to be deposited by the Directorate in the bank account of the exporter within thirty days of receipt of return from the Commissioner after completing the examination as mentioned in Sub-Rule (3).

(6) Notwithstanding any provision contained in this Rule regarding the procedure of submitting drawback application, for the purpose of disposal of drawback application within shortest time and in quick manner, the Board can issue General Order for submitting application direct to the Directorate authorities by the exporters in the form specified by the Directorate and with necessary documents,.

30. Drawback obtained on submission of application.— (1) Registered person who—

(a) exports on commercial basis;

(b) exports after producing or manufacturing exempt goods or exports exempt services but does not supply any taxable goods or services;

(c) person exempt from registration under Section 16 of the Act, shall have to apply to the Duty Exemption and Drawback Office in form “Mushak-22” with relevant documents as evidence of exports within six months of completion of exports to obtain drawback of the tax paid on the inputs used in the production or manufacture of goods or services exported.

(2) The Director General, Duty Exemption and Drawback Office, by order through official gazette notification, can determine the rate of drawback on exports on the basis of flat rate and any exporter wishing to obtain drawback on that basis shall provide necessary information in form “Mushak-23” including the specimen duly attested by the Customs Officer at the port of export with the application mentioned in Sub-Rule (1) following the first export of goods or services.

(3) Deleted.

(4) The Director General upon receipt of the application shall take necessary action as per Sub-Rule (4) of Rule 29 or Sub-Rule (5) when appropriate and any discrepancy, in this case, if arises subsequently in the amount of drawback given based on primary audit, shall have to be adjusted against exporter's subsequent drawback application.

(5) Afterwards, submission of specimen and information mentioned in Sub-Rule (2) for obtaining drawback based on the same flat rate would not be necessary and the Directorate have to deposit the drawback amount in the bank account of the exporter as per Sub-Rule (4) of Rule 29 when he has been listed as an "established exporter", if not, after completing the examination mentioned in Sub-Rule (3) of Rule 29 within fifteen days of receipt of application.

(6) Any exporter willing to obtain drawback based on Challan in the case of exported goods or services, shall have to submit application in form "Mushak-24" for the determination of the rate or amount of drawback and the application for drawback as per Sub-Rule (1).

(7) The Director General shall after receiving the application mentioned in Sub-Rule (6), arrange for survey work when satisfied upon primary examination about proper completion of the application within twenty days of the application reaching the Directorate.

(8) For the sake of examination of the application the Director General can ask for documents he considers necessary and can refuse the drawback application when exporter fails to submit the documents asked within fifteen days of the requisition or within time extended by the Director General.

(9) The Director General or the officer empowered by him shall complete the field level survey work within fifteen days of the receipt of documents mentioned in Sub-Rule (8).

(10) The Directorate shall complete the survey mentioned in Sub-Rules (7) and (9) and within seven days of completion shall grant the drawback and deposit the drawback amount in the bank account of the exporter by cheque.

(11) Concerned officers of the Directorate can survey the organization engaged in the production or manufacture of concerned goods or services for the determination of tax drawback based on flat rate or for re-determination thereof and the organization shall be obliged to extend all co-operation to the officers of the Directorate in the survey work.

(12) Person not himself engaged in the production or manufacture of exportable goods and exports goods bought from some actual producer or manufacturer shall, on his own liability, collect the information mentioned in Sub-Rule (2) or when applicable, Sub-Rule (6) from the actual producer or manufacturer of exported goods for the determination of drawback on exports and provide the information to the local Value Added Tax Office and he would have to ensure co-operation of the actual producer or manufacturer of goods to the concerned survey officials of the Directorate to complete the

drawback related activities.

31. Deleted.

31A. Supply of goods or services against international or local tender in exchange of foreign currency.— (1) Goods or services supplied by any registered person against local or international tender under international agreement or Memorandum of Understanding in foreign currency received as grant or aid and supplied for the purpose of constructing any establishment or infrastructure inside Bangladesh, balancing, extension, modernization or with the intention of supplying any goods or services amongst any segment of the people of Bangladesh, shall be deemed to be export under following conditions as per Sub-Section (2a) of section 3 of the Act when foreign currency in exchange of goods or services has been remitted through Bangladesh Bank in accordance with general principles of export, viz:

(a) regarding grant or aid international agreement or Memorandum of Understanding has to be there between the donor agency and the Government of Bangladesh or any individual or organization empowered from the government;

(b) the matter of the use of locally purchased goods or services has to be mentioned in the local or international tender citing the reference of the agreement or Memorandum of Understanding; and

(c) the provider of service or supplier of goods selected through tender shall have to inform the local Value Added Tax authority with the attested copy of concerned international agreement or Memorandum of Understanding, tender circular and work order or, as the case may be, copy of purchase order.

(2) Related provisions of Rule 29 shall be applicable to a registered person under obligation to submit return under section 35, when he wants to obtain tax drawback on outputs used in the goods or services supplied against local or international tender in exchange of foreign currency.

(3) Related provisions of Rule 30 shall be applicable to a registered person on whom the provisions of Sub-Rule (2) do not apply, when he wants to obtain tax drawback on inputs used in the goods or services supplied against local or international tender in exchange of foreign currency.

(4) In the case of Sub-Rules (2) and (3) copy of concerned tender, evidence of tender acceptance, work order and documents of receiving the consideration in foreign currency respectively shall have to be enclosed with the return and the application.

Explanation.— For the purposes of this Rule, “local or international tender” means tender notice called in national daily newspaper published in Bangladesh or newspaper of international standard published outside Bangladesh.

31B. Deleted.

32. Supply of goods or services against local Back-to-Back Letter of Credit in exchange of foreign currency.— (1) Goods or services (if applicable) supplied by any registered person to an actual exporter against local Back-to-Back Letter of Credit in

exchange of foreign currency shall be deemed to be export in accordance with Sub-Section (2) of Section 3 of the Act.

(2) In the case of a registered person under obligation to submit return as per Section 35, tax drawback can be obtained as per related provisions of Rule 29 for any input used in the supply of goods or services by him against local Back-to-Back Letter of Credit in exchange of foreign currency.

(3) In the case of a registered person with no obligations of Sub-Rule (2), related provisions of Rule 30 shall be applicable when he wants to obtain tax drawback on inputs used in the supply of goods or services against local Back-to-Back Letter of Credit in exchange of foreign currency.

(4) In the cases mentioned in Sub-Rules (2) and (3), copies of Back-to-Back Letter of Credit, export Letter of Credit certified by authorized officer of the concerned bank and evidence of foreign currency remittance, shall have to be submitted along with the return and the application.

(5) In order to obtain facilities under this Rule, actual exporters must have bonded warehouse or special bonded warehouse approved by Customs authorities or any other approved organization. Information relating to supplyable goods or services against local Back-to-Back Letter of Credit i.e. number and date of Back-to-Back Letter of Credit, name and address of the deemed exporter, description and quantity of goods and any other related information must be mentioned in Utilization Permission issued by the concerned Customs authority or by any other approved organization in favor of the actual exporter, on Utilization Permission and copies of above permission or declaration shall have to be enclosed with drawback application under Rule 29. The Directorate authority shall contact the Customs authority controlling the bond of the exporter in order to make sure about the reasonability of information mentioned in the concerned Utilization Permission or Utilization Declaration and to record in the passbook and warehouse register of the actual exporter simultaneously granting the drawback upon necessary examination.

(6) Actual exporter shall record in the concerned passbook, register or in other documents specified by the Board, descriptions on the maintenance of goods manufactured from goods procured, export or disposal in any other way and shall get those attested by the bond officer.

(7) The exporter when fails to export goods procured on Back-to-Back Letter of Credit or those manufactured therefrom shall be obliged to refund the tax drawback obtained on the goods after two years of the date of export Letter of Credit is barred by time or from the date the goods were collected at the bonded warehouse or special bonded warehouse whichever happens first.

32A. Zero tax rate and drawback facilities for backward linkage industries.— Goods or services supplied by backward linkage industries, hereinafter referred to as that industrial enterprise, can be deemed to be exports under Sub-Section (2) of Section 3 of the Act on the following conditions, viz:

(a) The enterprise has to supply goods or services in favor of organizations holding 100% export oriented bonded warehouse or special bonded warehouse license;

(b) There must be Utilization Permission or Utilization Declaration in favor of goods or services by the enterprise and number and date of local Back-to-Back Letter of Credit or local Letter of Credit, Value Added Tax registration number of the receiver of goods from that enterprise, name and address including the number and date of local Back-to-Back Letter of Credit must be mentioned thereon;

(c) Copies of Utilization Permission or Utilization Declaration certified by the bank which opens the Letter of Credit must be in the possession of the enterprise;

(d) In case of drawback on tax paid on the goods or services supplied by the enterprise, certificate of foreign exchange receipt, duplicate copy of registration, Challan delivered in form “Mushak-11” against supply of goods or services, inputs used in the supply of goods or services, main copy of Bill of Entry in support of import or Challan in form “Mushak-11” delivered by the supplier of inputs and declaration in Taka fifty non-judicial stamps about the authenticity of the documents submitted shall accompany the application including documents mentioned in Clauses (b) and (c);

(e) Information relating to facilities enjoyed under this Rule have to be mentioned by the enterprise in its monthly return in form “Mushak-19” and half yearly statement relating to this have to be submitted in every January and July to the local Value Added Tax Office.

33. Drawback in case of postal exports.— Any registered person exporting through postal mail, willing to obtain drawback of tax on input used in the production or manufacture of exported goods shall have to submit second copy of information declared in form “Mushak-25” certified by the Customs authority engaged in foreign post office, if appropriate, have to be enclosed with the drawback application or with return.

34. Drawback on food stuff and other commodities supplied to foreign bound transport for consumption outside Bangladesh.— Food stuff and other commodities supplied by a registered person to a foreign bound transport for consumption outside Bangladesh shall be deemed to be exports and the registered person willing to obtain drawback of tax paid on the inputs used in the supply of food stuff and other commodities shall apply with copy of agreement signed between concerned transport authority, purchase order, documents of sale proceeds realization for all foreign bound transports other than vessels or aircrafts carrying Bangladesh flag, shall have to accompany with the return submitted to the local Value Added Tax Office or, as the case may be, with the drawback application.

34A. Refund.— (1) As per Section 67, in the case of refund demand of Value Added Tax or, Value Added Tax and Supplementary Duty or Turnover Tax paid or demanded to be paid in excess for inadvertence, error or wrong explanation or any other reason, a refund demand shall have to be submitted to the concerned Divisional Officer or Commissioner of Custom House or such an officer not below the rank of an Assistant Commissioner empowered from him for the purpose within six months of the payment of the tax in form TR-31 in three copies:

Provided that when form TR-31 is not available on the spot while submitting the demand,

an application in plain white paper can be made and within 15 (fifteen) days of the application, the applicant shall have to regularize the same by properly filling in the form and submitting it.

(2) Divisional Officer shall approve the refund demand made under Sub-Rule (1) upon verification of its reasonability and making sure about the authenticity of the deposit of the money in the treasury actually, then the officer approving the refund shall send the refund bill to the responsible officer of the Office of the Commissioner for pre-audit, when considered proper upon pre-audit concerned officer shall countersign in it and shall retain one part of it for office record, one part shall be sent to the Revenue Officer of that local Value Added Tax Office where the amount of refund demanded was shown in the revenue statement and one part shall be sent to the concerned Divisional Officer, the Revenue Officer will make negative adjustment in the revenue statement of his office and send it to the District Accounts Officer concerned with the area of the Revenue Officer or to the Chief Accounts Officer:

Provided that a refund demand has to be disposed off within 90 (ninety) days of it's receipt.

(2a) In case of refund demand of Value Added Tax paid at import stage, Section 33 of the Customs Act, 1969 and provisions made thereunder have to be followed.

(3) Concerned section under the officer approving the refund shall maintain a register of it for the proper accounting of records.

(4) Notwithstanding anything contained in this Rule, refund application shall not be approved where rules and facilities exist at local stage to adjust the refund claim against input tax credit of the registered person in the Account Current Book or in return.

(5) Concerned rule of Bangladesh Treasury Rules shall be applicable to the refund functions under this Rule.

34B. Adjustment of arrear due on government.— (1) If such a registered person who does not have any obligation to maintain Account Current Register after making adjustment of all dues in the return of his any tax period, his payable tax remains negative, then he will get the opportunity to adjust his remaining dues against the payable tax of the next tax period.

(2) Even after making adjustment of previously payable tax against the payable tax of the next tax period as per the provisions of Sub-Rule (1), if the payable tax remains negative, then that may be adjusted in the subsequent tax periods.

(3) Even after making negative adjustments in the subsequent 12 (twelve) tax periods as per the provisions of Sub-Rule (1) and (2), if the tax payable remains negative, the taxpayer can adjust or take refund of the accrued negative tax in the following ways, viz:

(a) If the excess amount of Taka is less than 50,000/- (fifty thousand), instead of its refund, would continue to be adjusted in the next tax period;

(b) If accrued negative tax is Taka 50,000/- (fifty thousand) or above, the taxpayer may submit refund application in prescribed form to the Divisional Officer.

(4) Analyzing the information received under this Act, the Divisional Officer may recommend within 60 (sixty) days to the Commissioner to refund the specific amount of money, being sure that to the applicant there is no arrear of the government and if giving refund is not possible in his consideration, the same as well shall be informed to the Commissioner in writing.

(5) The Commissioner shall refund to the applicant the accrued negative tax within the next 30 (thirty) days or if giving refund is not possible that shall be informed to the applicant in writing.

35. Confiscation and imposition of penalty.— Any registered person violating any of these Rules shall be awarded with penalty of a minimum half the amount and maximum equal amount of the Value Added Tax or Value Added Tax and Supplementary Duty where applicable payable on the concerned supply of goods or services and the concerned goods or services whatever appropriate, shall also be confiscated in favor of the Government.

Provided that in the case where revenue evasion has not taken place, a penalty of minimum Taka 5 (five) thousand and maximum Taka 10 (ten) thousand shall be awarded.

36. Confiscated goods shall vest upon the Government.— Goods confiscated under the Act or these Rules shall immediately vest upon the Government and the officer authorizing the confiscation shall accept and take possession of the confiscated goods.

37. Management of confiscated goods.— Confiscated goods or where the opportunity to pay penalty in lieu of confiscation has not been availed within three months from the date of confiscation, can be sold through open auction or tender or through any other means undertaken by the Commissioner as directed by the Board.

38. Power to issue order, notice or explanation or circular.— The Board or the Commissioner or the Director General of the Directorate from time to time may issue orders or notices or explanations or circulars within their respective areas on any matter arising out of these Rules.

39. Time limit for removal of goods.— (1) Registered person, can, at any time release goods produced, manufactured by him from the place of production, manufacture or trading on proper payment of tax and issue of Challan. However, the Commissioner can in the case of necessity impose restrictions on the time limit for the release of any goods or class of goods produced or manufactured by any registered person by order and subject to the conditions mentioned in the order having considered nature of the goods, release process, and profile of the tax payer.

40. Disposal of unused or unusable inputs.— (1) Any registered person shall apply in form “Mushak-26” to the local Value Added Tax Office for the disposal of unusable inputs bought by him on payment of Value Added Tax for the disposal of the same if he considers that it has been unusable subsequently.

(2) The Revenue Officer shall send the application together with his recommendations to the Divisional Officer for giving decision for the disposal or destruction of inputs described in Sub-Rule (1) after carrying out a field level inquiry within seven days of

information as per Sub-Rule (1) and when satisfied that the inputs are not usable to the person registered.

(3) The Divisional Officer upon his satisfaction shall give decision of disposal on the application received under Sub-Rule (1) within 15 (fifteen) working days.

(4) The Revenue Officer shall in accordance with direction in Sub-Rule (3) direct the registered person to adjust in the Current Account and next return canceling the input tax credit received by him as mentioned in Sub-Rule (1).

41. Disposal of manufactured or produced goods damaged or destructed in accident.— (1) When goods produced, manufactured or stored for supply by any registered person appear unfit for supply due to damage or destruction by accident or for any other reason, he shall submit an application in Form “Mushak-27” to the local Value Added Tax Office for the disposal of the goods within twenty four hours of the accident or after being informed of the matter in the case of other reasons.

(2) The Revenue Officer shall, within three days of receipt of the application as per Sub-Rule (1) determine the value of goods destructed or damaged by accident and the amount of output tax payable after carrying out a field level inquiry, send the application mentioned in Sub-Rule (1) to the Divisional Officer along with his recommendation on the disposal of the damaged goods through destruction or by other means.

(3) The Revenue Officer shall send the value of the goods mentioned in Sub-Rule (2) to the Divisional Officer for approval after considering the reasonable supply price of the goods either in part or full at a reduced price.

(4) The Divisional Officer shall accord approval within 30 (thirty) working days subject to his satisfaction for the disposal of the goods mentioned in Sub-Rule (2) by supply or by destruction or by any other means.

(5) The Revenue Officer upon receipt of proper direction from the Divisional Officer—

(a) shall direct the applicant in the case of fully destructed or damaged goods to adjust in the Current Account and subsequent return canceling the tax credit taken on the inputs used in the manufacture or production; and

(b) shall direct in the case of goods destructed or damaged by accident to adjust in the Current Account and subsequent return canceling the input tax credit in proportion to the difference between normal price and reduced price approved by the Divisional Officer.

41A. Supply and disposal of waste or by-product goods.— (1) Any registered person shall apply to the concerned Divisional Officer for the disposal of waste or by-product of the goods manufactured or produced by him when is fit or unfit for supply.

(2) For determining taxable price of supplyable waste or by-product goods, Section 5 of the Act and Rule 3 shall be applicable.

(3) The registered person can fully destruct or destroy the goods in the presence of

Divisional Officer or Value Added Tax Officer nominated by him, in the place of production or outside that place on health, environment or infrastructural reason complying as far as possible, with the Bangladesh Environment Protection Act 1995 (No 1 of 1995) or the provisions of Rules framed under this Act on the grounds that the waste is unfit for supply or there is no commercial value of the by-product.

(4) The Divisional Officer shall send a report to the Commissioner within seven days of destruction or damaging when destruction or damaging is done under Sub-Rule (3) and the person registered shall preserve the related documents as per provisions of law.

42. Acceptance of liability by the registered person for the activities of his agent or representative.— The liability arising out of the activities of any of his agents authorized by any registered person directly or indirectly to perform under the Act or the Rules shall fall upon the registered person.

43. Procedure for recovery of government dues.— (1) Value Added Tax Officer before taking any action under Section 56 for the recovery of Government dues shall have to inform the concerned person at least twice in writing for the payment of the dues. In each letter at least seven days time has to be given. He should be given at least two week's notice to seal the business premise, to crock and sell his moveable and immovable properties or to sell without crock and after giving him the opportunity of personal hearing if he so wishes.

(2) Value Added Tax Officer stated in Section 56 shall issue notice in form "Mushak-28" for the recovery of Government dues mentioned in Clause (b) of Sub-Section (1) and issue warrant to freeze bank account in form "Mushak-29".

(3) Value Added Tax Officer mentioned in Sub-Rule (2) shall prepare 4 copies of the notice in form "Mushak-28". Original and second copy shall be sent to the person under obligation for the dues or to the bank, third copy to the concerned tax payer and fourth copy he shall preserve at his office. The person to whom first and second copy is forwarded, shall acknowledge the receipt of original copy and return the second copy to the concerned officer after signing thereon.

(4) While issuing form "Mushak-29" same procedures as in Sub-Rule (3) shall be followed.

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