



# REVIEW OF BANGLADESH INVESTMENT DEVELOPMENT AUTHORITY (BIDA) ACT 2016



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**Bangladesh Regional Connectivity  
Project -1 (BRCP-1)**

**Ministry of Commerce  
Government of the People's  
Republic of Bangladesh**

**Conducted by:**

  
**IPAG**

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and Governance (IPAG)

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This work would not have been possible without the valuable input we received during the data collection period from relevant stakeholders involved in Key Informant Interviews (KII) and Focus Group Discussions (FGD).

Given the consistent guidance we have received throughout the duration of this project, we were able to ensure that the study design is closely knit with the current aspirations of Bangladesh in trade expansion, trade harmonization, transit, transport, infrastructure development, improving ease of doing business, and facilitation of FDI in Bangladesh. Besides, the research provided us with the opportunity to reflect on the existing investment policies in Bangladesh and how it may be improved via inspiration from international best practices to ease the process of LDC Graduation in 2026.



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**Md. Abdul Karim**





## Preface

This report has been prepared by The Institute for Policy, Advocacy, and Governance (IPAG) in joint venture partnership with e.Gen Consultants Ltd. in accordance with the terms of reference of the ‘Selection of a Consultancy Firm for Policy Study/Policy Review/Rules and Regulation Preparation’ under the BRCP project 1. The core objective of the project is to provide policy feedback through a policy review of the BIDA Act 2016 under the Bangladesh Investment Development Authority (BIDA) for advancing the concept of cooperation in trade, investment, transport, and transit facilitation. Additionally, the assessment will encourage advocacy for policy matters concerning female traders and foster alignment between a country's developmental goals and its international commitments in the area of trade facilitation. Furthermore, the policy recommendations chalked out by this study aspires to benefit policy makers and other stakeholders in supporting trade expansion and diversification of Bangladesh’s exports.

With a primary focus on the anticipated LDC Graduation in 2026, this study aims to achieve several objectives. Firstly, it has been prepared to conduct a thorough review of the BIDA Act 2016. Secondly, the goal is to gather insights from the policy through consultations with the organization responsible for the BIDA Act 2016 and relevant stakeholders. This aims to pinpoint areas where coordination and foreign direct investment facilitation can be improved, and to highlight any obstacles in implementation that both government stakeholders and investors frequently encounter in Bangladesh. Thirdly, the study seeks to identify the necessary legislative, administrative, and policy reforms required to ensure a smooth flow of foreign direct investment and harmonized trade facilitation, among other aspects. Lastly, it aims to analyze how the reforms and recommendations derived from research, analysis, and stakeholder consultations can contribute to enhancing the Ease of Doing Business in the region.



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**Md. Mijanur Rahman**  
Project Director (Joint Secretary)  
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## Acronyms and Abbreviations

4IR	Fourth Industrial Revolution
AEC	ASEAN Economic Community
AI	Artificial Intelligence
APTA	Asia-Pacific Trade Agreement
AR	Augmented Reality
ASEAN	Association of Southeast Asian Nations
BEPZA	Bangladesh Export Processing Zones Authority
BEZA	Bangladesh Economic Zones Authority
BHTPA	Bangladesh Hi-Tech Park Authority
BIAC	Bangladesh International Arbitration Centre
BICI	Bangladesh Investment Climate Improvement
BIDA	Bangladesh Investment Development Authority
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BIT	Bilateral Investment Treaties
BIT	Bilateral Investment Treaties
BLPA	Bangladesh Lank Port Authority
BOI	Board of Investment
BRCP-1	Bangladesh Regional Connectivity Project-1
BSCIC	Bangladesh Small and Cottage Industries Corporation
BTP	Bangladesh Trade Portal
CEPA	Comprehensive Economic Partnership Agreement
CY	Current Year
D-8	Developing-8
DCCI	Dhaka Chamber of Commerce & Industry
DFQF	Duty-Free Quota-Free
DPIIT	Department of Promotion of Industry and Internal Trade
DTAA	Double Taxation Avoidance Agreement
EPZ	Export Processing Zones
EZ	Economic Zones
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act
FGD	Focused Group Discussion
FIA	Foreign Investment Agency
FIC	Foreign Investment Committee
FICCI	Foreign Investors' Chamber of Commerce and Industry
FIZ	Free Industrial Zone
FPIPPA	Foreign Private Investment Promotion and Protection Act
FTA	Free Trade Agreement
FY	Fiscal Year
GDP	Gross Domestic Product
GII	Global Industrial Performance Index
GSP	Generalized System of Preferences
ICCB	International Chamber of Commerce Bangladesh
ICSID	International Centre for Settlement of Investment Disputes
ICT	Information and Communication Technology

IDA	International Development Association
IIA	International Investment Agreement
IP	Intellectual Property
IPA	Investment Promotion Agency
IPC	Investment Promotion Certificate
IPR	Intellectual Property Rights
IRMS	Investor Relationship Management System
ISD	Investor-State Disputes
ISDS	Investor-State Dispute Settlement
ISM	International support measures
IT	Information Technology
ITES	Information Technology Enabled Services
KII	Key Informant Interview
LDC	Least Developed Countries
MCCI	Metropolitan Chamber of Commerce and Industry
MIDA	Malaysian Investment Development Authority
MIGA	Multilateral Investment Guarantee Agency
MoC	Ministry of Commerce
MoU	Memorandum of Understanding
MPI	Ministry of Planning and Investment
MRTA	Mega-Regional Trade Agreements
NBR	National Board of Revenue
NIP	National Industry Policy
NTTFC	National Trade and Transport Facilitation Committee
OPIC	Overseas Private Investment Corporation
OSS	One-Stop Service
PPP	Public Private Partnership
R&D	Research & Development
RCEP	Regional Comprehensive Economic Partnership
RTA	Regional Trade Agreement
SAARC	South Asian Association for Regional Cooperation
SAFTA	South Asian Free Trade Area
SAPTA	SAARC Preferential Trading Agreement
SOP	Standard Operating Procedure
SRO	Statutory Regulatory Order
TFA	Trade Facilitation Agreement
TIP	Treaties with Investment Provisions
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UN	United Nations
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
VAT	Value Added Tax
WTO	World Trade Organization



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## Executive Summary

Bangladesh's unwavering dedication to enhancing its investment climate positions it as a promising hub for future investments, poised to contribute significantly to the nation's economic advancement. On that note, the BIDA Act was passed on September 1, 2016, through which, the Bangladesh Investment Development Authority (BIDA) was formed. The Act has mandated BIDA with the responsibility of delivering diverse promotional and facilitative services to expedite the industrial growth of the nation.

This report assesses the significant role played by the Bangladesh Investment Development Authority (BIDA) in facilitating and promoting foreign direct investment (FDI) within the context of the BIDA Act 2016. The review offers a comprehensive analysis of the BIDA Act, examines its implications, gaps in policy and regulatory framework and presents strategic recommendations for optimizing its effectiveness in enhancing Bangladesh's appeal to foreign investors. As per BIDA Act 2016 provisions, BIDA's functions include pre-investment counseling, the registration and approval of private industrial projects, endorsement of branch/liaison/representative offices, visa recommendations, work permits for foreign nationals, approval of royalty remittances, technical know-how, and technical assistance fees as well as after care. The BIDA Act 2016 also ensures that BIDA oversees import of capital machinery and raw materials, approving foreign loans and supplier credits, and offering aftercare facilities to further support the industrial landscape.

Chapter 1 of the report opens with an introduction, covering background context of investment in Bangladesh, an overview of BIDA, and the scope and rationale supporting the study. Moreover, the section highlights the fundamental importance of FDI as a catalyst for economic growth and development in Bangladesh. Additionally, the research tools such as Key Informant Interview, Focus Group Discussion, Legal Analysis, and Comparative Analysis among others, that were used to prepare this report were provided in detail in this section.

Chapter 2 provides a global comparison of FDI, mainly covering the ASEAN and SAARC region, and is followed by a descriptive section on FDI inflows in Bangladesh where the report indicates that Bangladesh experienced a 20.2% FDI increase in 2022, reaching \$3.48 billion, the second highest ever, as reported by Unctad's World Investment Report 2023 and Bangladesh Bank. Moreover, this section illustrates graphs and figures depicting FDI Gross Inflows and FDI net inflows in Bangladesh between 2020 to 2022 among others.

Chapter 3 focuses on the regulatory framework governing foreign direct investment in Bangladesh, with particular emphasis on the Foreign Private Investment Promotion and Protection Act (FPIPPA) 1980, which serves as the primary regulatory framework for foreign investment in the country.

Chapter 4 chalks out a brief overview of BIDA, the history behind BIDA's formation, the management structure, and concise description of the BIDA Act 2016. Additionally, details are provided on the recent investment promotion activities conducted by BIDA from 2021 to 2022 which included activities in the Dubai Expo 2020, the Bangladesh Investment Climate Improvement (BICI) Program, and the first International Investment Summit in 2021 hosting over 3000 participants from 27 countries among other activities. Additionally, brief overviews are provided on other IPAs including Bangladesh Economic Zones Authority (BEZA), Bangladesh Export Processing Zones Authority (BEPZA), and the Bangladesh High-Tech Park Authority (BHTPA).



Chapter 5 serves as a critical examination of the policy-level shortcomings and disparities in implementation of investment promotion activities and services to investors. The chapter also covers the National Industrial Policy 2022 and the Export Policy 2021-2024 to determine diversified export sectors for Bangladesh, further touching upon the priority sectors under the policies. All in all, this section delves into issues ranging from bureaucratic hurdles to the complexities within the legal framework. Moreover, this chapter elucidates opportunities for improvement, including the imperative for enhanced coordination among government entities and the streamlining of investment procedures. Besides, other aspects such as Double Taxation Avoidance Agreement, repatriation, provisions of foreign ownership, provisions of an exit policy, Intellectual Property Rights, and comparison of investment incentives between Bangladesh, India, Vietnam, Thailand, and Malaysia have been covered here.

Chapter 6 establishes a comparison of international good practices across India, Viet Nam, Thailand, and Malaysia in developing foreign investment through policies and laws, institutional practices on investment promotion, investment incentives, foreign investment promotion strategy, investment entry and establishment, and provisions on investment protection.

Chapter 7 reports the key findings collected via desk review, interviews and focus group discussion. Through the findings, the research team was able to note down some of the key areas for diversifying investment promotion in Bangladesh. The section further discusses the institutional capacity of BIDA and highlights BIDA's proactive efforts to attract foreign investment through various initiatives like roadshows, seminars, and pre-consultations. However, despite receiving positive feedback for its timely services, there are concerns about BIDA's insufficient manpower and outdated website. Moreover, the section asserts the need for capacity-building initiatives and improved marketing strategies to enhance BIDA's visibility and appeal to foreign investors.

Chapter 8 provides a set of well-considered recommendations aimed at boosting the investment climate in Bangladesh. These recommendations encompass dispute resolution mechanisms, inter-agency coordination, procedures for outward remittances, capacity-building initiatives, and robust systems for monitoring and evaluation, among others. Furthermore, this section has chalked out a matrix that delves into the provisions under the BIDA Act 2016 using a legal analysis further supported by review of similar policies and legislations from Vietnam, India, Thailand, and Malaysia. Some additions that have been suggested including, but are not limited to, provisions of having representatives from the private sector and research backgrounds in the Governing Board to have a holistic approach, stipulating a fixed time and increased frequency for the Governing Board meeting, inter-agency cooperation as one of the functions with a view to resolving issues arising from the investor, provision of a database on market and industries etc.

Finally, the conclusion of the report establishes a concise summary of the report's key findings, overarching recommendations, and the overarching significance of FDI in propelling Bangladesh toward sustained economic growth and development. It underlines the commitment of Bangladesh to improving its investment climate and its readiness to welcome future investments.

The research findings, along with insights gathered from key informant interviews and focus group discussions, point towards key recommendations. These recommendations emphasize the potential for enhancing institutional coordination and standardizing policies, suggesting that BIDA should prioritize these areas in collaboration with the relevant ministries. Also, since foreign investors find the process of repatriation of profit cumbersome, simplification of the procedure coupled with a smooth exit policy

is recommended. Additionally, government officials should adopt an approachable attitude towards investors to encourage feedback. As suggested by several respondents, Bangladesh should shift its focus toward strengthening backward linkage industries to attract investments in industries such as the automobile industry. Findings have also suggested that the incorporation of IP rights will slow down the progress for a few years in Bangladesh but eventually capture a wider international market which would be beneficial in the long run. Investment diversification prospects that have been suggested by experts, investors, and government officials include ICT, chemicals, pharmaceuticals, agro-processing, steel, plastic, edible oil, leather, man-made fiber among others. Moreover, a specific mechanism to address disputes settlement should be included in the BIDA Act 2016. However, investor state dispute should be included as a provision in the mother law i.e., FPIPPA 1980. Similarly, a mechanism to address grievances may be adopted under the OSS Act 2018, further extending towards BIDA.

Overall, this report serves as a resource for policymakers, potential investors, and stakeholders interested in understanding and navigating Bangladesh's investment landscape. It offers a comprehensive analysis of the current state of investment promotion and identifies challenges and presents rational recommendations for fostering an even more inviting and investment-friendly environment.



## 1. Introduction

Bangladesh has achieved significant progress in poverty reduction, employment growth, healthcare, education, and infrastructure development. It relies heavily on exports for its GDP, but it's about to graduate from the LDC group in 2026, which will result in a loss of trade benefits, notably in European markets. As a result, the private sector must prepare to compete on price and quality.

To unlock our full productive potential, Prime Minister Sheikh Hasina has prioritized investment promotion as a Special Initiative. This is crucial as Bangladesh work towards a seamless LDC graduation in 2026 and aim to become an upper-middle-income nation by 2031, ultimately reaching developed country status by 2041.

To navigate this transition, the government should promote foreign investment, which can help mitigate the challenges tied to the loss of preferential trade access. Bangladesh is a hub linking China, India, and ASEAN nations, and is equipped with political stability and forward-thinking foreign policy. Hence, foreign investment can infuse capital, technology, skills, and market connections, improving economic productivity, competitiveness, and diversity, while also creating jobs and generating revenue.

The Bangladesh Investment Development Authority (BIDA), apex investment promotion agency (IPA) of Bangladesh, is instrumental in this process. In 2016, BIDA was formed through the BIDA Act with a primary focus on foreign and local investments and leveraging underutilized government assets to boost the nation's economic activities. BIDA's role includes investment promotion, policy advocacy, investor support, pre and post establishment facilitation, land acquisition assistance, and policy advocacy. The agency also monitors investments and collaborates with international entities to attract foreign investments. With an emphasis on transparency and investor-friendly policies and having successfully secured approximately 65% of an \$11 billion investment fund over the past four years, BIDA is well-positioned to promote Bangladesh as an appealing destination for local and foreign investors. BIDA has framed several policies to support investment and industrial development through diversified promotional services such as the BIDA Act 2016 and the BIDA One Stop Service Act 2018.

At present, there are three key Investment Promotion Agencies (IPAs) in Bangladesh besides BIDA, those being, Bangladesh Economic Zones Authority (BEZA), Bangladesh Export Processing Zones Authority (BEPZA), the Bangladesh Hi-Tech Park Authority (BHTPA). Besides the four essential IPAs, there is also the Public Private Partnership (PPP) Authority, which promotes domestic and foreign investments in specific zones and industries.

### 1.1 Background

The Bangladesh Regional Connectivity Project 1 (BRCP-1) is jointly being implemented by the Bangladesh Lank Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce and financed by the International Development Association (IDA) – a member of the World Bank Group. The second component of this umbrella project is being implemented as a separate technical assistance project by the Ministry of Commerce, and aims to strengthen trade related institutional capacity to ensure active and sustainable cooperation between multiple trade related stakeholders and empower women trade through the three following components:

- **Component A:** Create (pilot) programs to assist female merchants and business owners. This component will test initiatives to address barriers that prevent women from participating in regional and global supply chains and trading opportunities.

- **Component B:** Support for the National Trade and Transport Facilitation Committee's (NTTFC) capacity development. The inter-ministerial NTTFC was established to coordinate all trade and transportation-related policies and practices in Bangladesh, and to function as the Project's Advisory Committee.
- **Component C:** The Bangladesh Trade Portal will be improved, and a National Enquiry Point for Trade will be established. In March 2016, the Bangladesh Trade Portal (BTP) was launched. This component will help to improve the BTP's functionality by allowing it to include information relevant to potential Bangladesh exporters and ensuring that the content is kept up to date. This component will also establish the National Enquiry Point for Trade, which will assist Bangladesh in meeting a crucial WTO Trade Facilitation Agreement obligation.

Part of the IDA Credit will be used by the Ministry of Commerce to conduct studies on existing trade agreements to build a deeper understanding of the three relevant areas of trade facilitation indicated above.

## 1.2 Rationale of the Study

Bangladesh's graduation from the LDC category will have significant implications for its GDP and in turn will lose some of the preferential market access and international support measures that Bangladesh currently enjoys as an LDC, such as duty-free and quota-free exports, concessional loans, and technical assistance. These benefits have helped Bangladesh to boost its exports, especially in the garment sector, and to finance its development needs. According to some estimates, graduation could lead to a loss of about 8-10% of its gross export revenue, amounting to about \$2.5 billion annually.

Therefore, it is vital for Bangladesh to focus on attracting more FDI as it can help overcome some of the challenges and risks associated with graduation, such as losing competitiveness, diversifying exports, upgrading technology, and creating jobs. FDI can provide capital, technology, skills, and market linkages that can enhance the productivity, competitiveness, and diversification of Bangladesh's economy.

One of the key factors that can help Bangladesh to attract more FDI is to improve its investment climate and policies. Bangladesh needs to address some of the existing barriers and constraints that hinder FDI inflows, such as inadequate infrastructure, complex regulations, weak governance, and low skills. Bangladesh also needs to take proactive measures to promote FDI in strategic sectors that can contribute to its sustainable development and LDC graduation.

In that context, it is essential to explore the various provisions put forth by BIDA and identify the challenges and gaps that may interrupt the continuous growth of the FDI in the economy. Furthermore, a comparison of the investment climate of the comparator economies is also necessary for reforming policies and acts for making the country a front-runner in attracting FDI.

## 1.3 Scope of the Study

Achievement of the overarching objective will be realized by following specific objectives mentioned below:

- The current situation of the BIDA Act that covers trade facilitation.



- The effects of the policy/law/regulations on foreign direct investment, trade for exporters and importers in Bangladesh and the existing obstacles and difficulties including the gaps in implementation and procedural barriers identified;
- The best practices in other countries in terms of policy/regulations for better management of FDI and trade;
- The alignment of these policies /act with the trade related bilateral, regional and international agreements and conventions;
- The needs of Legislative, Administrative and Policy reforms identified;
- The changes or improvements that are needed to make these policies /act efficient, effective FDI flow and harmonized for trade facilitation including to meet the LDC graduation challenges.

## 1.4 Methodology

### 1.4.1 Document Review

Keeping in consideration the nature of the two policy studies, our team of experts reviewed both primary and secondary documents during the desk study.

**Primary Documents:** The team of experts looked at important papers from the Ministry of Commerce and other trade-related offices. Some of the papers were the BIDA, Foreign Private Investment (Promotion and Protection) Act (FPIPPA) and OSS ACT, a review of Bangladesh's investment policies, and investment deals with other countries. Additionally, the collection of primary documents featured transcripts of the KII and FGD conducted as part of this study.

**Secondary Documents:** Secondary documents included journal articles, news articles, commentaries by trade and policy experts, among others. Additionally, the team further relied on papers published by multilateral organizations such as the World Bank, WTO, and UNCTAD among others, research papers published by other think tanks based in Bangladesh, and annual reports published by BIDA and BEZA.

### 1.4.2 Key Informant Interview

Under the scope of the study, qualitative data has been collected in the form of KII. The sample size is 10, and the 10 key informants have been selected by the National Trade Expert/ Trade Economist in consultation with the Team Leader using purposive sampling technique for each study. The sample consists of government officials from various ministries and their subdivisions, trade agencies, and foreign investors. The list of participants who were involved in this study has been provided in Annex 1.

### 1.4.3 Focus Group Discussions

The consultant team carried out the FGD in mixed groups and ensured women participants. The preferred size of the group was between 6 – 8 participants as opposed to a group size of 10 – 12 because if the FGDs incorporate too many experts, it might put forth varying opinions, and divert from the subject matter. One FGD was conducted, and the FGD participants were selected using snowball or

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<sup>1</sup> Snowball sampling or chain-referral sampling is defined as a non-probability sampling technique in which the samples have traits that are rare to find.

commonly known as purposive sampling.<sup>iii</sup> The team of consultants held a discussion with the Bangladesh Investment Development Authority (BIDA), for the purpose of this study.

#### *1.4.4 Data Analysis*

In this section, we have listed out the data analysis tools our team of experts have used below:

##### *1.4.4.1 Comparative Policy Analysis*

Comparative policy analysis involves the examination and comparison of policies or their outcomes across different jurisdictions or settings. This method aims to identify best practices and lessons learned in various contexts. It is valuable for understanding how different policies have been implemented and their impact in different regions.

Using a comparative lens, our team of experts will compare the policies of the BIDA Act 2016 to the foreign investment policies of other countries in the region, such as India, Vietnam, Thailand, and Malaysia. This analysis helped in identifying successful approaches and practices that can be applied to the context of Bangladesh. By comparing policies and their effects across different regions, the team acquired insights into what has worked well in other settings.

##### *1.4.4.2 Legal Analysis*

Legal analysis is a process that involves the systematic examination and evaluation of legal issues, principles, and rules to understand their implications, consequences, and application in specific situations or cases. This entails identifying all parties affected by a policy, assessing their interests, positions, alliances, and significance. In our project, we applied a legal perspective to scrutinize two policies, seeking amendments and recommendations.

Within this project, the legal analysis involved a comprehensive review of policies within the BIDA Act 2016. The team examined how this act impacted various stakeholders, including businesses, government entities, and international organizations. This examination facilitated an understanding of the legal framework guiding investment policies, their alignment with both national and international laws, and identified areas for potential improvements.

## 2. Overview of Foreign Direct Investment (FDI)

### 2.1 Global Comparison

Over the preceding five years, there has been a noteworthy upswing in Foreign Direct Investment (FDI) flows across all prominent regional economic groupings within the developing Asian region. Particularly, investments within the Association of Southeast Asian Nations (ASEAN) have witnessed an impressive 41% surge, accumulating to a total of \$222 billion. Similar patterns of growth were discernible within the Regional Comprehensive Economic Partnership (RCEP), the Gulf Cooperation Council, and among member states of the South Asian Association for Regional Cooperation (SAARC).

As of the year 2022, within East Asia, China has emerged as a substantial participant, marking a noteworthy 5% upswing, resulting in a substantial influx of FDI, amounting to \$189 billion. This increase can be predominantly attributed to investments in the manufacturing and high-tech sectors, with a significant impetus provided by European multinational enterprises.

In the context of South-East Asia, the FDI landscape in countries such as Vietnam and Indonesia also showcased positive trends, with FDI increasing by 14% and 4%, leading to FDI totals of \$18 billion and \$22 billion, respectively. Conversely, the Philippines faced a 23% decline, primarily attributable to divestments.

In the Western Asian region, Saudi Arabia encountered a notable 59% reduction in FDI, amounting to \$7.9 billion. In stark contrast, the United Arab Emirates reached historic highs with a remarkable 10% increase, totaling \$23 billion and attracting the fourth-highest number of global greenfield projects. Turkey also drew attention with a 9% increase, resulting in \$13 billion in FDI.

Furthermore, in South Asia, India's FDI landscape has been particularly remarkable, with a commendable 10% increase, reaching an impressive \$49 billion. This positions India as the third-largest host country for greenfield projects and the second largest for international project finance deals. Notably, Bangladesh experienced a significant 20% increase in FDI, reaching a total of \$3.5 billion, marking the second-highest level in the country's history, as reported in UNCTAD's World Investment Report 2023 <sup>2</sup>.

#### 2.1.1 Foreign Direct Investment (FDI) Inflows in Bangladesh

The history of foreign direct investment (FDI) in Bangladesh between 2003 and 2023 shows a dynamic economic landscape with notable fluctuations. Bangladesh experienced a 20.2% FDI increase in 2022, reaching \$3.48 billion, the second highest ever, as reported by Unctad's World Investment Report 2023 and Bangladesh Bank. This marks a \$584.39 million uptick from 2021 and a 35.7% rise compared to 2020. The following table illustrates the overall growth in FDI Gross Inflows and FDI net inflows

Items	2020	2021	% growth 2022 over 2021	% growth 2022 over 2020
<b>FDI Gross Inflows</b>	3378.49	3883.6	24.3	42.9
<b>FDI Net Inflows (Equity capital inflows+ Re-invested earning+ Intra-company Loans)</b>	87	289.56	20.3	35.7

Table 1 FDI Inflows in Bangladesh (During the CY 2020 to CY 2022), Sources: FIED Management Cell, Statistics Department, Bangladesh Bank

<sup>2</sup> UNCTAD, "Investment flows to developing countries in Asia remained flat in 2022", Accessed November 9, 2023, [https://unctad.org/news/investment-flows-developing-countries-asia-remained-flat-2022#:~:text=Five%20economies%20\(China%2C%20Singapore%2C,of%20FDI%20to%20the%20region.](https://unctad.org/news/investment-flows-developing-countries-asia-remained-flat-2022#:~:text=Five%20economies%20(China%2C%20Singapore%2C,of%20FDI%20to%20the%20region.)

The following figure provides a year-on-year illustration of the FDI Net Inflows in Bangladesh, which is indicative of a reduction in inflows in 2020, possibly due to the onset of the COVID-19 pandemic, with a gradual increase in 2022:

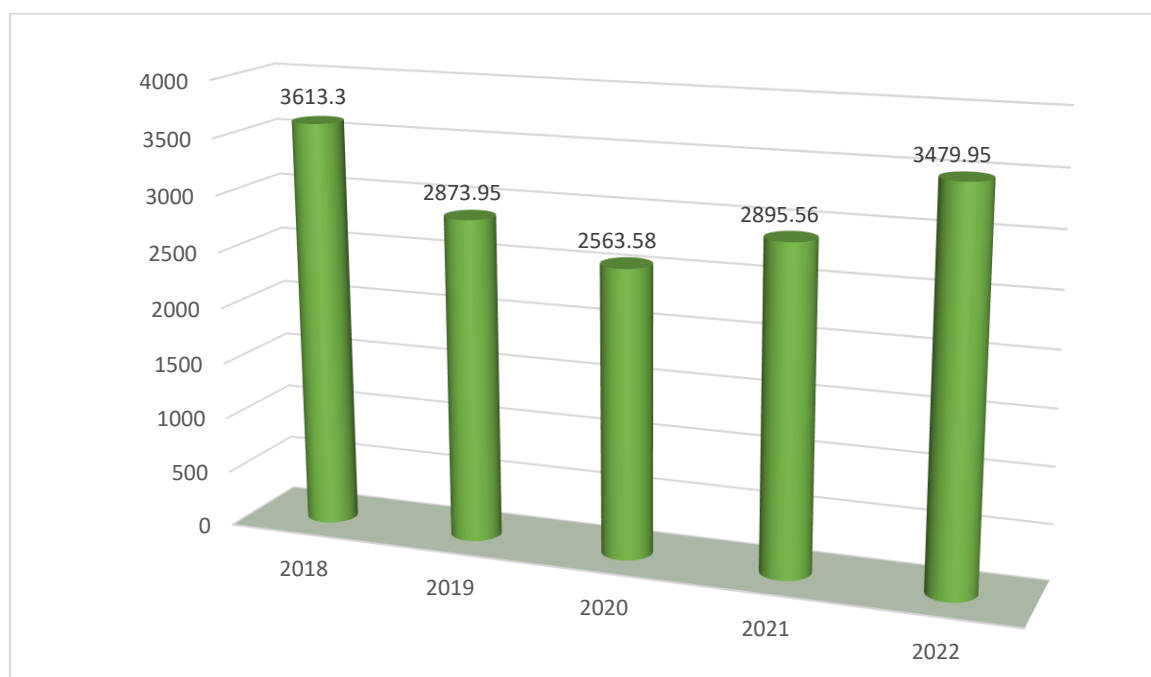


Figure 1 Net FDI Inflows on Yearly basis

The data provided in the following table has been obtained from Bangladesh Bank and includes a sector-wise breakdown of the net FDI inflows in Bangladesh from January 2022 to December 2022:

Table: Sector-wise Net FDI Inflows during the year 2022 (in million US\$)					
SL No.	Sectors	Jan-Jun'2022	Jul-Dec'2022	CY 2022	% of Total
1	<b>Agriculture &amp; Fishing</b>	<b>18.10</b>	<b>20.62</b>	<b>38.72</b>	<b>1.1</b>
2	<b>Mining &amp; Quarrying</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
3	<b>Power, Gas &amp; Petroleum</b>	<b>390.82</b>	<b>463.41</b>	<b>854.23</b>	<b>24.5</b>
	i) Power	263.35	248.34	511.69	14.7
	ii) Gas & Petroleum	127.47	215.07	342.54	9.8
4	<b>Manufacturing</b>	<b>638.22</b>	<b>664.92</b>	<b>1303.14</b>	<b>37.4</b>
	i) Food Products	82.78	70.88	153.66	4.4
	ii) Textiles & wearing	346.72	358.97	705.69	20.3
	iii) Pharmaceuticals & Chemicals	49.28	38.32	87.60	2.5
	iv) Metal & Machinery Products	5.95	0.32	6.27	0.2
	v) Vehicle & Transport Equipment	0.90	0.25	1.15	0.0
	vi) Fertilizer	83.15	43.98	127.13	3.7
	vii) Cement	4.96	7.03	11.99	0.3
	viii) Leather & Leather Products	23.99	93.13	117.12	3.4
	ix) Other Mfg	40.49	52.04	92.53	2.7

Table: Sector-wise Net FDI Inflows during the year 2022 (in million US\$)					
SL No.	Sectors	Jan-Jun'2022	Jul-Dec'2022	CY 2022	% of Total
<b>5</b>	<b>Construction</b>	<b>42.62</b>	<b>29.57</b>	<b>72.19</b>	<b>2.7</b>
<b>6</b>	<b>Trade &amp; Commerce</b>	<b>205.06</b>	<b>174.46</b>	<b>379.52</b>	<b>10.9</b>
	i) Trading	63.29	4.11	67.40	1.9
	ii) Banking	139.46	180.49	319.95	9.2
	iii) Insurance	0.38	-16.4	-16.02	-0.5
	iv) Non-Bank Financial Institutions (NBFI)	1.93	6.26	8.19	0.2
<b>7</b>	<b>Transport, Storage &amp; Communication</b>	<b>197.77</b>	<b>306.97</b>	<b>504.74</b>	<b>14.5</b>
	i) Telecommunications	157.35	292.18	449.53	12.9
	ii) Transport, Storage & Others	40.42	14.79	55.21	1.6
<b>8</b>	<b>Services</b>	<b>179.78</b>	<b>139.48</b>	<b>319.26</b>	<b>9.2</b>
	i) Hotel & Restaurant	0.26	0.08	0.34	0.0
	ii) Clinical	4.88	3.84	8.72	0.3
	iii) Computer Software & Information Technology (IT)	13.87	24.47	38.34	1.1
	iv) Other Service	160.77	111.09	271.86	7.8
<b>9</b>	<b>Other Sectors</b>	<b>3.59</b>	<b>4.56</b>	<b>8.15</b>	<b>0.2</b>
	<b>Total FDI Inflows</b>	<b>1675.96</b>	<b>1803.99</b>	<b>3479.95</b>	<b>100.0</b>

Table 2 Sector-wise Net FDI Inflows during the year 2022, Source: FIED Management Cell, Statistics Department, Bangladesh Bank



### 3. Policy Framework for Investment in Bangladesh

Bangladesh welcomes foreign investment with open arms, providing attractive incentives and robust protection measures for foreign investors. This commitment to promoting and safeguarding foreign investments is enshrined in various Bangladeshi policies, often employed to portray Bangladesh as an appealing destination for foreign investors.

The government of Bangladesh has introduced an "Open Door Policy" aimed at enticing foreign investment. The official body responsible for promoting, attracting, and facilitating foreign investment within the Export Processing Zones (EPZs) operates under the Prime Minister's Office and is known as the Bangladesh Export Processing Zone Authority (BEPZA). EPZs are established with the primary objective of creating designated areas that offer a welcoming investment climate, free from burdensome regulations, to attract potential investors.

In 2015, the government made a significant decision to establish 100 economic zones (EZs) across the country, with the goals of attracting both domestic and foreign investment, expediting industrialization, creating one crore jobs, and increasing exports by an additional \$40 billion worth of goods and services by 2030. While many of these EZs are yet to commence operations, the ones that have been in existence since FY 2017-18 have already garnered \$1.6 billion in investments, including \$80 million from foreign sources. Furthermore, investment proposals totaling \$26 billion have been signed across all 97 economic zones. Even though BIDA ACT 2016 governs the regulatory framework for investment promotion in Bangladesh including investment protection and entry, the Foreign Private Investment Promotion and Protection Act (FPIPPA) 1980 is the key regulatory framework of foreign investment in Bangladesh. The broader policy and regulatory framework for catering investment include:

Business Stage	Regulatory Framework
General	<ul style="list-style-type: none"> <li>Bangladesh Industrial Policy (as undertaken from time to time)</li> </ul>
Business Start-Up	<ul style="list-style-type: none"> <li>The Companies Act, 1994</li> <li>Securities and Exchange Commission Act, 1993</li> <li>Copyright Act, 2000</li> <li>Patent and Design Act, 1911</li> <li>Trademark Act, 2009</li> </ul>
Promotion and Protection	<ul style="list-style-type: none"> <li>The Foreign Private Investment Promotion and Protection Act (FPIPPA), 1980</li> </ul>
Facilitation	<ul style="list-style-type: none"> <li>Bangladesh Investment Development Board Act (BIDA), 2016</li> <li>Bangladesh Export Processing Zones Authority (BEPZA) Act, 1980</li> <li>The Bangladesh Economic Zones Act, 2010/ Amended Bangladesh Economic Zones Act 2015</li> <li>The Bangladesh Hi-Tech Park Authority Act, 2010</li> <li>OSS Act 2018</li> </ul>
International Trade (Export and Import)	<ul style="list-style-type: none"> <li>Bangladesh Export Policy (as undertaken from time to time)</li> <li>Bangladesh Import Order (as undertaken from time to time)</li> </ul>
Corporate/Personal Taxation and incentives	<ul style="list-style-type: none"> <li>Income Tax Ordinance 1984 and related rules and SROs</li> <li>The Customs (Economic-Zones) Procedures (2017)</li> </ul>
Foreign Exchange	<ul style="list-style-type: none"> <li>Bangladesh Foreign Exchange Regulation Act and Guidelines</li> <li>(issued from time to time)</li> </ul>

Table 3 Regulatory framework for investment promotion in Bangladesh

## 4. Bangladesh Investment Development Authority (BIDA): Context and Challenges

### 4.1 Overview of BIDA

The Bangladesh Investment Development Authority (BIDA), established under the BIDA Act 2016 on September 1, 2016, plays a central role in expediting the economic and industrial development of Bangladesh. The organization was formed through the merger of the Board of Investment and Privatization Commission. BIDA's core mission is to simplify and accelerate the investment process in the country, consolidating functions previously dispersed among multiple organizations, including the Board of Investment (BOI).

BIDA actively promotes investment opportunities in various sectors of the economy, both domestically and internationally. It markets Bangladesh as an attractive destination for both foreign and domestic investors. In addition, BIDA plays a role in formulating and recommending policies and regulations that improve the investment climate and works to remove barriers and create a more favorable business environment. Furthermore, BIDA plays a critical role in monitoring and evaluating investment progress in the country, ensuring adherence to regulations and promptly addressing any emerging issues during the investment process. BIDA's involvement in policy advocacy centers on the identification and resolution of critical policy concerns impacting Bangladesh's investment environment. The agency conducts analyses of regulatory obstacles, administrative intricacies, and trade impediments, subsequently offering policy reform suggestions to the government. The authority also conducts training programs and workshops to enhance the skills and knowledge of government officials, investors, and other stakeholders involved in the investment process. BIDA operates as a comprehensive one-stop service provider for investors, offering a wide range of services, including streamlined online registration and approval processes. This approach significantly reduces bureaucratic hurdles and simplifies compliance with regulatory requirements for both local and foreign investors.

All in all, BIDA is a key driver in creating a transparent and favorable investment environment in Bangladesh, with a specific focus on attracting both local and foreign investments, thereby contributing to the country's economic growth and development.

### 4.2 Overview of the BIDA Act 2016

The Bangladesh Investment Development Authority (BIDA) Act 2016, which came into effect on September 1, 2016, was established to expedite the country's industrial progress. BIDA was assigned the role of delivering a comprehensive set of promotional and facilitative services. The BIDA Act aimed to streamline bureaucratic procedures and provide incentives to foster a more investor-friendly atmosphere<sup>3</sup> and BIDA came into existence under this act. BIDA has offered several incentives for the promotion of foreign investment in Bangladesh. Moreover, the government has offered several facilities for foreign investors such as Special Economic Zones, Export Processing Zones, etc.<sup>4</sup>

The BIDA Act 2016 outlines the functions, powers, and responsibilities of BIDA and provides a legal framework for its operation. Under the Act, the authority operates as a one-stop service provider,

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<sup>3</sup> BIDA, "BIDA mandate and activities", Accessed November 9, 2023, <https://bida.gov.bd/mandate-and-activities>

<sup>4</sup> BRCP-1, "Policy Review on Foreign Private Investment (Promotion and Protection) Act 1980", Accessed November 12, 2023, [chrome-extension://efaidnbmnnnibpcajpcglclefindmkai/http://brcp-1.gov.bd/wp-content/uploads/2022/03/Foreign-Private-Investment-Promotion-and-Protection-Act-1980\\_10.03.2022.pdf](chrome-extension://efaidnbmnnnibpcajpcglclefindmkai/http://brcp-1.gov.bd/wp-content/uploads/2022/03/Foreign-Private-Investment-Promotion-and-Protection-Act-1980_10.03.2022.pdf)

simplifying the investment process by centralizing a variety of services. This includes online registration and approval processes, reducing administrative complexities and enhancing investors' ability to navigate regulatory requirements. Furthermore, the Act empowered BIDA to grant incentives such as tax exemptions, duty-free machinery imports, and other advantages, particularly for priority sectors. BIDA also actively participates in promoting investment opportunities both domestically and internationally by engaging in roadshows and investment seminars.

The Act outlines specific regulations for foreign investment promotion and facilitation as well as the formation of the investment promotion agency, BIDA, in Bangladesh. It also provides guidelines for foreign investor entry into Bangladesh. The Act includes a regulatory framework for licensing or approving industrial undertakings, whether they involve domestic or foreign investment or joint ventures. While foreign investors typically do not require approval under the FPIPPA 1980, the BIDA Act mandates that individuals seeking to establish private sector industrial undertakings must apply for approval following specified procedures, except for industries governed by established legal institutions. It's important to note that BIDA's jurisdiction is limited to industrial undertakings, and therefore, service subsectors not categorized as industries in the Industrial Policy fall outside BIDA's purview, missing out on its support. The BIDA Act also incorporates provisions to promote investment, including one-stop services aimed at expeditiously delivering infrastructure services to industrial undertakings based on their requirements.<sup>4</sup>

### 4.3 Management Structure of BIDA

BIDA is organized into a three-level management system, detailed as follows:

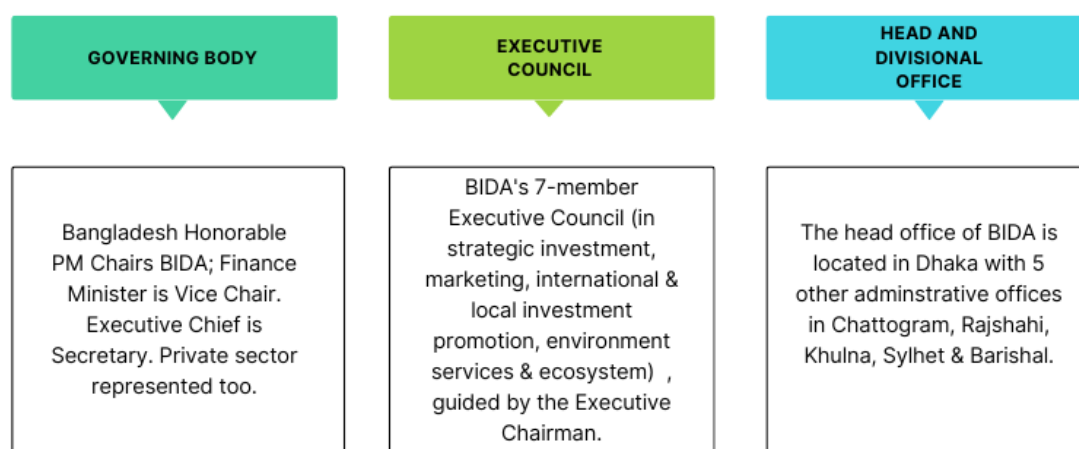


Figure 2 BIDA three-level management system

### 4.4 Promoting Investment: BIDA's Recent Initiatives

Under Prime Minister Sheikh Hasina's special initiative known as Biniyog Bikash (Investment Promotion), BIDA, as lead agency for overseeing business climate, implemented various investment promotion and investment facilitation activities. BIDA joined Dubai Expo 2020 which took place in 2022 and assumed regional directorship for South Asia at the World Association of Investment Promotion Agencies (WAIPA) for 2021-2023.

BIDA further developed the Bangladesh Investment Climate Improvement (BICI) Program to kickstart business climate reforms across Bangladesh. Additionally, BIDA is developing an Investor Relationship Management System (IRMS) guided by the Strategic Roadmap 2020-2024 to strategize

communications and implement IPA services effectively. The system will manage interactions, implement monitoring and surveys, and manage investors' databases.

BIDA also organized its first International Investment Summit in 2021 hosting over 3000 participants from 27 countries where they exhibited 11 of Bangladesh's thriving sectors that hold great potential for foreign investment. The agency has taken another step further to streamline information for the public including investors by launching its new website which highlights the priority sectors in Bangladesh, provides an investment roadmap, and easier access to services.

In parallel, the FGD findings raised several key initiatives by BIDA to facilitate foreign investments. One notable initiative is the creation of a country-wise liaison officer's list, making it convenient for foreign investors from specific countries, such as India, Germany, and the United States, to connect with designated liaison officers. These officers play a crucial role in providing essential information and support, boosting investor confidence in Bangladesh.

Additionally, BIDA actively collects and shares investment-related information from various government entities, including the Trade Ministry, Ministry of Industries, and Bangladesh Bank, ensuring that investors have access to essential data and resources.

## 4.5 Bangladesh Investment Climate Improvement (BICI) Program

BIDA introduced the Bangladesh Investment Climate Improvement (BICI) Program to enact comprehensive business climate reforms across the country, aligning with Bangladesh's socio-economic context. Following the suspension of the World Bank's Ease of Doing Business (EoDB) program in September 2021, BIDA was directed to develop a program tailored to Bangladesh's specific needs. The directive was issued during the 9th meeting of the National Committee for Monitoring Implementation of Doing Business. BIDA, as the government's primary agency for coordinating business climate reforms, crafted the BICI program, seeking input from stakeholders in a workshop held on June 16, 2022. The proposed BICI, aligned with Vision-2041, focuses on seven pillars, including Business Entry, Exit, and Technology Adoption, Industrial Infrastructure and Logistics, Cross-Border Trade and Business, Commercial Dispute Resolution and Labor Regulations, Tax Regime, and Financial and Non-financial Incentives and Access to Finance. Departing from generic assumptions, BICI's reforms will be informed by the Bangladesh Business Climate Index (BBX) and structured feedback from the private sector. The program, encompassing 97 proposed reforms for FY 2022-23, is currently under government consideration, and several development partners have expressed interest in funding the initiative.<sup>5</sup>

## 4.6 Other Investment Promotion Agencies (IPAs)

### 4.6.1 Bangladesh Economic Zone Authority (BEZA)

The Bangladesh Economic Zones Authority (BEZA) is an agency of the government of Bangladesh tasked with developing 100 new economic zones.<sup>6,7</sup> BEZA was created in 2010 under the Bangladesh Economic Zones Act and is an attached agency of the Prime Minister's Office<sup>2</sup>. Its objective is to establish, license, operate, manage, and control economic zones in Bangladesh, with the target of

<sup>5</sup> BIDA, Accessed November 13, 2023, <https://bida.gov.bd/storage/app/uploads/public/63b/695/769/63b6957697f14678356175.pdf>

<sup>6</sup> BEZA, Accessed November 11, 2023, <https://beza.gov.bd/>

<sup>7</sup> Wikipedia contributors, Bangladesh Economic Zone Authority, Accessed November 11, 2023, [https://en.wikipedia.org/wiki/Bangladesh\\_Economic\\_Zones\\_Authority](https://en.wikipedia.org/wiki/Bangladesh_Economic_Zones_Authority)

generating 10 million jobs and receiving USD 40 billion in export earnings<sup>8 9</sup>. BEZA is responsible for developing both government-owned and privately-owned economic zones in different parts of Bangladesh<sup>3</sup>. The agency is working towards establishing 100 economic zones across the country by 2030 to achieve industrial self-sufficiency, decentralization, and a one crore employment target<sup>4</sup>.

#### 4.6.2 Bangladesh Export Processing Zones Authority (BEPZA)

The Bangladesh Export Processing Zones Authority (BEPZA) is an agency of the government of Bangladesh that promotes, attracts, and facilitates foreign investment in the country's export processing zones (EPZs)<sup>10</sup>. BEPZA was established in 1983 under the Bangladesh Export Processing Zones Authority Act and is an attached agency of the Prime Minister's Office<sup>11</sup>. Its primary objective is to provide special areas where potential investors would find a congenial investment climate free from cumbersome procedures<sup>12</sup>. BEPZA currently oversees the operations of eight EPZs in different parts of Bangladesh, including Chittagong, Dhaka, Mongla, Ishwardi, Comilla, and Uttara. The agency performs inspections and supervises the compliance of enterprises related to social and environmental issues, safety, and security at the workplace to maintain harmonious labor management and industrial relations in EPZs<sup>5</sup>.

According to the Bangladesh Economic Review for the year 2023, it is reported that the Export Processing Zones (EPZs) in Bangladesh presently accommodate a total of 452 operational enterprises, with an additional 93 enterprises in various stages of implementation. Among the operational enterprises, 150 are situated within Chattogram EPZ, 89 within Dhaka EPZ, 31 within Mongla EPZ, 21 within Ishwardi EPZ, 48 within Cumilla EPZ, 23 within Uttara EPZ, 48 within Adamjee EPZ, and 42 within Karnaphuli EPZ. As of February 2023, the cumulative investment within these EPZs has reached an impressive figure of US\$ 6,296.24 million. Notably, during the initial eight months of the fiscal year 2022-23, the EPZs achieved a total export value of US\$ 5,361.12 million. Significantly, in the fiscal year 2021-22, the exports from EPZs constituted approximately 16.61 percent of the nation's total export volume. Furthermore, it is noteworthy that as of February 2023, the industrial establishments operating within the EPZs, under the supervision of the Bangladesh Export Processing Zones Authority (BEPZA), have provided gainful employment to 486,304 Bangladeshi citizens. It is particularly significant to mention that this workforce accounts for a substantial 66 percent of the entire Bangladeshi workforce employed within EPZs. The following table gives an overview of the investment, export and export in several operational EPZs across Bangladesh.

Name of EPZS	Number of Industry		Investment (US\$ in M)	Export (US\$ in M)	Employment (No.)
	In Operation	Under Implementation			
Chattogram EPZ	150	10	1999.45	39741.18	173440
Dhaka EPZ	89	6	1718.83	33826.67	76147
Adamjee EPZ	48	12	709.88	7501.09	58414
Cumilla EPZ	48	5	548.12	5298.34	44048

<sup>8</sup> Bangladesh, A. (n.d.), "Embassy of Bangladesh Paris - Economic Zones in Bangladesh", Accessed November 11, 2023, <https://www.bangladoot-paris.org/trade-and-commerce/economic-zones-in-bangladesh.html>

<sup>9</sup> Rayhan, A. U. N. J. (2023, March 20). "Beza will add \$40b to the economy by 2030.", Accessed November 11, 2023, <https://www.tbsnews.net/economy/beza-will-add-40b-economy-2030-597686>

<sup>10</sup> BEPZA | Bangladesh Export Processing Zones Authority, Accessed November 14, 2023, <https://www.bepza.gov.bd/>

<sup>11</sup> Wikipedia contributors, "Bangladesh Export Processing Zone Authority. Wikipedia", Accessed November 14, 2023, [https://en.wikipedia.org/wiki/Bangladesh\\_Export\\_Processing\\_Zone\\_Authority](https://en.wikipedia.org/wiki/Bangladesh_Export_Processing_Zone_Authority)

<sup>12</sup> BEPZA. Bangladesh Export Processing Zones Authority (BEPZA) | LinkedIn, Accessed November 12, 2023, <https://www.linkedin.com/company/bepza?originalSubdomain=bd>

Karnaphuli EPZ	42	6	712.20	10132.05	73812
Ishwardi EPZ	21	20	233.97	1461.57	17045
Mongla EPZ	31	10	145.70	1070.73	11527
Uttara EPZ	23	6	226.78	2201.08	31871
BEPZA EPZ	0	18	1.30	0.00	0.00
<b>Total</b>	<b>452</b>	<b>93</b>	<b>6296.24</b>	<b>101232.71</b>	<b>486304</b>

Table 4 Bangladesh EPZ Stats

#### 4.6.3 Bangladesh Hi-Tech Park Authority (BHTPA)

The Bangladesh Hi-Tech Park Authority (BHTPA) is a government agency in Bangladesh that is responsible for establishing, managing, and operating technology business parks throughout the country<sup>13 14</sup>. The BHTPA was established under the Bangladesh Hi-Tech Park Authority Act of 2010 with the objective of creating an investment-friendly environment for the IT and IT-enabled services (ITES) industry.

BHTPA is responsible for developing and managing several hi-tech parks in Bangladesh, including the Bangabandhu Hi-Tech City in Kaliakoir, Gazipur, the Sheikh Hasina Software Technology Park in Jessore, and the Janata Tower Software Technology Park in Dhaka<sup>9</sup>. BHTPA's mission is to establish international standard infrastructure, create a sustainable business environment, and develop an IT/ITES-based industrial ecosystem in Bangladesh<sup>15</sup>. BHTPA offers various incentives to investors, such as tax holidays, duty exemptions, and other financial benefits, to encourage investment in the hi-tech sectors.

A total of 12 IT parks will be established in 12 separate districts across the country, including Jamalpur, Natore, Thakurgaon, Comilla, Mymensingh, Kareniganj (Dhaka), Barisal, Rangpur, Rajshahi, Sylhet, Khulna, and Chattogram. BHTPA is establishing Hi-Tech Parks, Software Technology Parks, and IT Training & Incubation Centers throughout the country to attract local and foreign investors for the development of Hi-Tech/IT/ITES industries. These parks aim to create huge employment opportunities and skilled human resources in the country.<sup>16</sup>

<sup>13</sup> Wikipedia contributors. (2023c, October 6). Bangladesh Hi-Tech Park Authority. Wikipedia, Accessed November 16, 2023, [https://en.wikipedia.org/wiki/Bangladesh\\_Hi-Tech\\_Park\\_Authority](https://en.wikipedia.org/wiki/Bangladesh_Hi-Tech_Park_Authority)

<sup>14</sup> Bangladesh Hi-Tech Park Authority, Accessed November 17, 2023, <https://bhtpa.gov.bd/>

<sup>15</sup> BHTPA, Bangladesh Hi Tech Park Authority, Accessed November 11, 2023, <https://ossbhtpa.gov.bd/>

<sup>16</sup> Bangladesh High-Tech Park Authority (BHTPA): – Invest Bangla. (n.d.), Accessed November 13, 2023, <https://www.invest-bangla.com/bangladesh-high-tech-park-authority-bhtpa/>



## 5. Findings from Secondary Sources: Policy Challenges and Implementations Gaps

### 5.1 National Industrial Policy

The Ministry of Industries has issued the National Industry Policy (NIP) for 2022, with its primary goals being the promotion of entrepreneurship, expansion of export diversification, and the facilitation of both local and foreign investments.

The primary focus of the NIP is on labor-intensive industrialization using domestic resources. The policy targets a 40% GDP contribution from industries by 2027, up from 35% in 2016 and 29% in 2010. While the industrial sector contributed 37.07% in 2021-22, there's a push to reach 41.86% by 2025. The policy emphasizes gradual growth, with achievements in manufacturing sectors like textiles, garments, and leather.

The policy stresses the importance of export diversification, increased foreign direct investment (FDI), and a focus on the Fourth Industrial Revolution (4IR). Special attention is given to less developed areas, aiming to ensure a stable supply of raw materials for export-oriented industries. Initiatives include simplifying administrative procedures, supporting startups, and encouraging ICT-based entrepreneurship. Women entrepreneurs are promoted with collateral-free loans, although funding challenges persist.

The policy addresses the formalization of the informal sector, introducing a time-bound action plan. There's an emphasis on attracting local and foreign investment, improving confidence in organizations like BSCIC, and implementing initiatives for start-ups. Challenges include financing for women entrepreneurs, labor productivity behind ASEAN countries, and the need for specific targets to improve Global Industrial Performance Index (GII) rankings.

The graduation challenges, including loss due to LDC-ISM, logistics costs, and the need for digitalization and diversified FDI, are acknowledged. The policy aligns with the goals of other Asian countries like Malaysia and Vietnam. However, challenges such as poor data management, inconsistent policies, and the implementation mechanism's effectiveness need attention. The editorial stresses that while policies are in place, the focus should be on their implementation with a time-bound and strategy-oriented approach.

### 5.1.1 Priority Sectors

As per the NIP 2022, the priority sectors are as follows:

Priority Sectors			
1	Foreign employment (Manpower supply)	10	Seed industry
2	Environment-friendly ship recycling industry	11	Cosmetics and toiletries
3	Tourism industry	12	Cement industry
4	Home textile industry	13	Logistics industry sector
5	Windmill	14	Hi-tech industry
6	Herbal medicine industry	15	Medical equipment and device industry sector
7	Hospital and clinic	16	Agricultural machinery manufacturing industry
8	Manufacturing of LED, CFL bulbs	17	Rice bran oil industry sector
9	Tea industry		

Figure 3 The priority sectors according to the NIP, 2022

### 5.1.2 Special Development Industries

The NIP has recognized specific industries designated as special development sectors. These sectors will necessitate further investment and development efforts to unlock their potential for generating future export revenues.

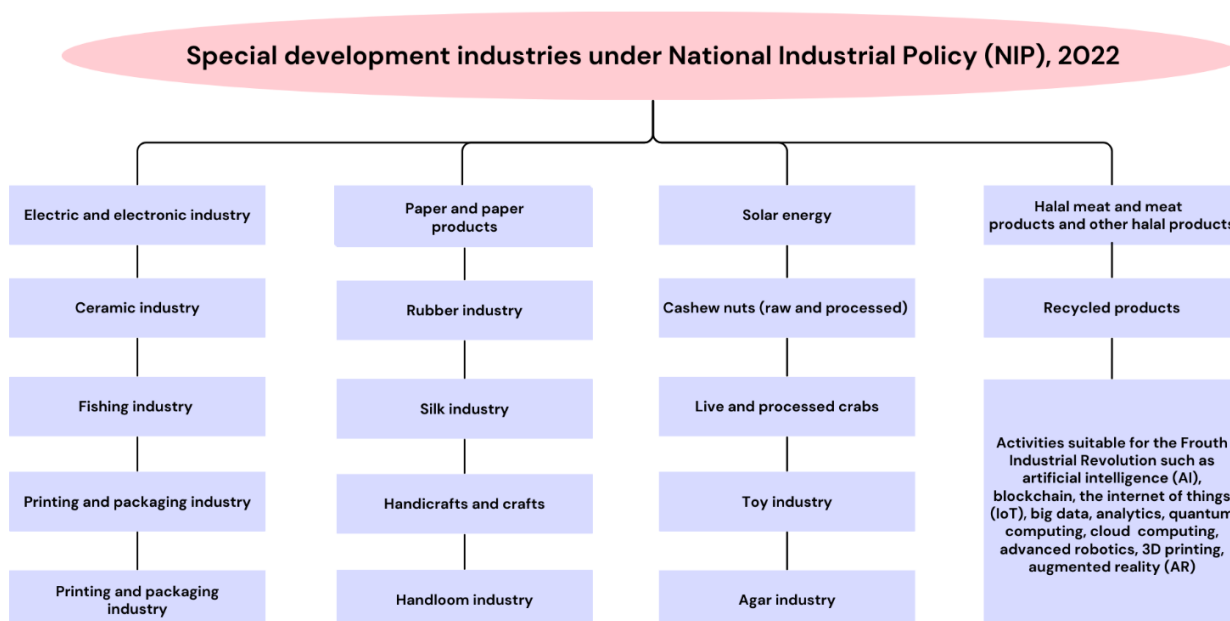


Figure 4 Special development industries under National Industrial Policy (NIP), 2022



## 5.2 Export Policy 2021 - 2024

The Export Policy, 2021-2024, was made effective from March 23, 2022. The Policy aims to reach annualized export earnings of US\$ 80 billion between the years 2021-2024 with a key focus on post-LDC-Graduation challenges, research, and development, curbing the impact of COVID-19 on export sectors, and the fourth industrial revolution. The Policy focuses on boosting trade by tapping into 14 priority sectors with products of high-value potential as mentioned below.

The government of Bangladesh provides incentives to selected export sectors which includes textiles, hand-made products, jute produces, agricultural and agri-processed goods, leather goods, furniture, plastic goods, frozen fish, motorcycles, among others. Most of these products are already in Bangladesh's Export Priority List. The rate of subsidy for these items ranges from 4 – 20 percent. Under the provisions of the Value Added Tax Act, 1991, and the Customs Act, 1969, all duties and taxes paid on inputs/ raw materials used for the manufacturing of exported goods is subject to refund.

### 5.2.1 Priority Sectors

HIGHEST PRIORITY SECTOR	
i.	High value-added ready-made garments, denim
ii.	Man-Made Fiber
iii.	Garment Accessories.
iv.	Pharmaceutical products.
v.	Plastic products.
vi.	Footwear (leather, non-leather, and synthetic) and leather goods.
vii.	jute products, including multipurpose jute products.
viii.	Agricultural and processed agricultural products; fruits, cut flowers.
ix.	Light engineering products (auto parts, bicycles, motorcycles, batteries)
x.	Construction of ships and sea-going fishing trawlers.
xi.	Furniture.
xii.	Home Textiles and Home Decor, Terry towel.
xiii.	Baggage.

*Table 5 Highest Priority Sector*

While BIDA is adhering to the National Industrial Policy, as indicated from data collected via the KII of foreign investors, pharmaceutical products, ICT, electronics (among which, mobile phones manufacturing), and leather are potential areas where investment may be diversified. KII findings have complemented this, providing various suggestions for investment diversification e.g., steel, plastic, leather, chemicals, pharmaceuticals, agro-processing, hi-tech, ICT etc.

## 5.3 Dispute Settlement

An essential concern for foreign investors revolves around the selection of an appropriate dispute resolution mechanism. Section 4 of the FIPPA 1980 stipulates that the government is obligated to provide fair and equitable treatment to foreign private investments, ensuring their full protection and security within Bangladesh. Due to delays often experienced in Bangladeshi litigation, foreign investors

typically prefer arbitration as their favored method for resolving cross-border commercial disputes <sup>17</sup>. The World Justice Project announces in its Rule of Law Index 2016 that Bangladesh is ranked at 103rd among 113 countries. Weaknesses in public governance and judicial independence have led to a lack of confidence in solving commercial disputes through its court system. Arbitration offers flexibility and allows parties to autonomously resolve conflicts while maintaining confidentiality.

In instances of disputes, dispute resolution methods are available under the Arbitration Act of 2001 and 2004. Bangladesh is a signatory to the International Centre for Settlement of Investment Disputes (ICSID), an organization that settles investment disputes involving specific states and foreign nationals. Additionally, Bangladeshi law permits contracts to refer dispute settlement to third-country forums, such as those in Singapore.

Bangladesh is also a participant in the South Asia Association for Regional Cooperation (SAARC) Agreement for the Establishment of an Arbitration Council since November 2005, aiming to establish a permanent center for alternative dispute resolution in one of the SAARC member countries. Furthermore, Bangladesh is a signatory of the New York Convention, recognizing the enforcement of international arbitration awards. For dispute resolution, the Bangladesh International Arbitration Centre (BIAC) is available, operating under the Bangladesh Arbitration Act of 2001. BIAC is an independent arbitration center established in April 2011 for the resolution of commercial disputes, overseen by a committee headed by the President of the International Chamber of Commerce Bangladesh (ICCB) and comprising presidents of other prominent chambers, including DCCI and MCCI.

The FPIPPA currently lacks any provisions for investor-state disputes, which are typically found in bilateral agreements. A provision on investor-state dispute should be explicitly stated in the Act and designed to be as comprehensive as possible, providing foreign investors with ample freedom and protection. In most treaties, parties' consent to settling investor-state disputes through international arbitration mechanisms, typically ICSID. When investors commit significant funds to a project, they often seek legal support to ensure their protection. They may not solely rely on the FPIPPA for clarity and may refer to other documents like bilateral investment treaties or joint investment agreements.

Bangladesh has faced a total of 7 claims from foreign investors, with four cases resolved and three currently under arbitration. Thus far, no foreign investors have invoked protection under the FPIPPA. Presently, there is no evidence of ongoing proceedings in national courts. While investors from countries with bilateral investment treaties receive protection under those treaties, investors from other nations must rely on the FPIPPA.

The Grievance Redress System functions as a channel for stakeholders to formally submit complaints to government authorities regarding dissatisfaction with service providers. Its purpose is to identify opportunities for improving service delivery, enhancing transparency, and ensuring accountability among service providers. The Government of Bangladesh already employs such a system. However, when investors' complaints concern agencies other than BIDA, there is no formal mechanism to address these issues. In this context, BIDA may address this matter under the OSS (One-Stop Service) framework, incorporating it into the act and developing a Standard Operating Procedure (SOP) for its implementation, which would ensure proper resolution of investor complaints. The umbrella law, FPIPPA should have provisions to ensure the exhaustion of local remedies first before going for a mutually agreed international dispute settlement forum. The BIDA Act can have a provision dispute resolution clause empowering the High Court Division of the Supreme Court of Bangladesh or the court

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<sup>17</sup> Grace. Arbitration issues for foreign investors in Bangladesh. Law.asia, (2023, February 8), Accessed November 11, 2023, <https://law.asia/arbitration-issues-foreign-investors-bangladesh/>

(preferably a commercial court/tribunal) against any grievance arising from any action or inaction of BIDA. The court/tribunal can follow the procedure as laid down in the Code of Civil Procedure, 1908 and the Arbitration Act, 2001.

## 5.4 Inter-agency Coordination Gaps

While BIDA is responsible for facilitating investment promotion, every IPA has a separate mandate which does not require them to coordinate as indicated by KII findings. Though BIDA plays the role of a facilitator, some approvals are generally granted by other organizations.

To streamline the procedures for setting up an investment/business, an overarching power is missing. In this regard, FGD findings have presented an interest from BIDA's end to adopt an overarching power for overseeing the overall activities under the umbrella of the OSS. Some KII respondents have reiterated a similar interest, expressing the need for a dedicated authority to oversee all procedures. BIDA in this regard, can follow the model of Vietnam's Foreign Investment Agency (FIA), which functions as the central administrative body responsible for investment matters at the national level.

Moreover, BIDA is a part of the Central OSS Authority, and the efficiency of the OSS is affected due to inter-agency coordination. Inter-agency coordination is essential to the efficiency of the OSS as it is a host portal which offers services from various agencies, that are to be offered within a prescribed timeframe. While BIDA and BEZA offer various services through the OSS system, the platform offers more than 125 services to investors, involving over 35 government agencies, therefore, inter-agency coordination emerges as a pivotal element in ensuring the system operates effectively.

From a legal perspective, the OSS Act may include a provision for incorporating coordination mechanism into every IPA mandate with BIDA acting as the central authority in charge of overseeing coordination.

## 5.5 Double Taxation Avoidance Agreement

Foreign investors have the opportunity to prevent double taxation through the Double Taxation Avoidance Agreement (DTAA). The National Board of Revenue (NBR) is empowered to engage in negotiations with foreign countries to encourage foreign direct investment (FDIs) in Bangladesh. DTAA is a mutual agreement between two countries aimed at preventing double taxation by outlining each country's taxation jurisdiction concerning international income flows and offering tax credits or exemptions to eliminate the risk of double taxation. DTAA also facilitates the sharing of information between treaty partners to combat tax evasion. Below is the list of countries that have signed bilateral DTAA agreements with Bangladesh.

Bangladesh's Bilateral Double Taxation Avoidance Agreements (DTAA)			
Sl.	Country	Sl.	Country
1	Belgium (effective 1 July 1997)	21	Poland (effective 1 July 2000)
2	Canada (effective 1 July 1982)	22	Romania (effective 1 July 1989)
3	China (effective 1 July 1998)	23	Saudi Arabia (effective 1 July 1012)
4	Denmark (effective 1 January 1997)	24	Singapore (effective 1 January 1980)
5	France (effective 1 January 1988)	25	Sri Lanka (effective 1 July 1989)
6	Germany (effective 1 January 1990)	26	Sweden (effective 1 July 1984)
7	India (effective 1 July 1993)	27	Switzerland (effective 1 July 2009)
8	Indonesia (effective 1 July 2007)	28	Thailand (effective 1 July 1998)
9	Italy (effective 1 July 1980)	29	Turkey (effective 1 July 2004)
10	Japan (effective 1 July 1992)	30	The United Arab Emirates (effective 1 July 2012)
11	Korea (effective 1 July 1983)	31	The United Kingdom (effective 1 July 1978)
12	Malaysia (effective 1 January 1982)	32	The United States of America (effective 1 October 2006; withholding tax 1 January 2007 – other taxes)
13	Mauritius (effective 1 July 2011)	33	Vietnam (effective 19 August 2005)
14	Netherlands (effective 1 July 1995)	34	Belarus (effective 1 June 2014)
15	Norway (effective 1 July 2006)	35	Kuwait (effective 25 December 2018)
16	Pakistan (effective 1 January 1980)	36	Bahrain (effective 9 October 2017)
17	Philippines (effective 1 July 2004)	37	Czech Republic (effective 1 July 2021)
18	Bhutan (effective 28 November 2017)	38	Nepal (effective 05 March 2019)
19	Myanmar (effective 01 July 2012)	39	Morocco (effective 01 July 2021)
20	Maldives (effective 01 July 2022)	40	Iran (effective 1 July 2023)

Figure 5 Bangladesh's Bilateral Double Taxation Avoidance Agreements (DTAA)

For instance, primary data collection has indicated that mismatches in financial years between Bangladesh and India led to confusion for Indian companies regarding double taxation avoidance agreements. The tax year in Bangladesh spans from June to July, whereas in India, it runs from March

to April. This variance necessitates a certificate from companies verifying tax payments made during the March–April period. However, the government hasn't been issuing these certificates, creating obstacles in the process for India.

## 5.6 Intellectual Property Rights (IPR)

Intellectual Property Rights (IPRs) are the legal protections afforded to the creators or owners of intellectual property, which includes works of literature, art, inventions, designs, names, symbols, and pictures used in commerce. By giving creators and inventors ownership over their works and allowing them to profit monetarily from their intellectual investments, these rights are crucial for promoting innovation and creativity.

Intellectual property and investment are closely interrelated in the business and economic perspective. The “Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)” by the WTO sets out the minimum standards for the protection of intellectual property rights among its member states. Under this agreement, member countries have the option, though not an obligation, to enact more extensive intellectual property protection in their laws, provided that such protection aligns with the agreement’s provisions. As a member of the WTO, Bangladesh has an obligation to follow the minimum standard as set in the TRIPS agreement. Accordingly, Bangladesh has amended Intellectual Property related laws and regulations. For example, by repealing the previous Patents and Designs Act, 1911 (Act No. II of 1911) the new Patent Act, 2022 was passed and the industry-design bill was passed in 2023<sup>18</sup>. Further, with a view to creating an enabling environment towards practicing IPRs effectively, the government has taken some initiatives. As an example, on 15 November 2018, the National Innovation and Intellectual Property Policy, 2018 was introduced. In addition, to address unlawful activities in connection with infringement of Intellectual Property Rights at the border, the National Board of Revenue (NBR) introduced the IPR Enforcement (Import and Export) Rules, 2019, utilizing the authority conferred by sections 15, 16, and 17 of the Customs Act, 1969. All these initiatives would be investment friendly if they are practiced properly.

Existing literature suggests that the role of Intellectual Property (IP) in promoting Foreign Direct Investment (FDI) is multifaceted, and various aspects highlight its significance in attracting and sustaining investment. Intellectual property rights, including patents, trademarks, and copyrights, serve as incentives for innovation. Evidence shows that FDI often flows to countries with robust IP protection as investors seek environments that encourage and reward innovation. Keith E. Maskus in his article “Intellectual Property Rights in the Global Economy” shows that enhanced protection of Intellectual Property Rights (IPRs) is expected to boost motivations for innovation and elevate the rewards associated with international technology transfer<sup>19</sup>. In addition to that investor, particularly in technology-intensive industries, are more likely to invest in countries with strong IP protection to safeguard their investments in research and development. FDI often involves technology transfer and licensing agreements. Branstetter, L. (2000) argues that Countries with reliable IP protection mechanisms are more likely to attract foreign investors looking to leverage local technologies. Eaton, J., & Kortum, S. (1996) suggested that a country’s commitment to IP protection can influence investors’

<sup>18</sup> The Business Standard, "Industry-Design Bill-2023 passes in JS to protect intellectual property rights, (2023, July 6)," Accessed November 19, 2023, <https://www.tbsnews.net/bangladesh/law-order/industry-design-bill-2023-passes-js-protect-intellectual-property-rights-661314>

<sup>19</sup> Maskus, K. (2000), "Intellectual property rights in the global economy", Accessed November 18, 2023, <https://econpapers.repec.org/bookchap/iieppress/99.htm>



decisions to enter new markets. Strong IP protection enhances the ability of businesses to differentiate their products and services <sup>20</sup>.

In this context, based on the above-mentioned pieces of evidence it can be suggested that Bangladesh needs to emphasize strong Intellectual Property protection to attract increased Foreign Direct Investment (FDI).

## 5.7 Technological Transfer and Linkage to Domestic Industries

To foster industries beyond the garment sector and enhance value addition, there's a critical need for industrial diversification and increased value-adding. Encouragingly, Foreign Direct Investment (FDI) plays a pivotal role in transferring the requisite technology for this purpose. However, Bangladesh's FDI currently stands at only 0.7% of GDP on average for the period 2016-2020, significantly lower than its counterparts like Vietnam (6.2%), India (1.8%), and the Philippines (2.5%). IPR protection plays a pivotal role in this regard.

On one hand, IPR Protection can hinder technology spread by restricting access through patents, potentially resulting in reduced knowledge dissemination due to higher prices and lower output caused by increased market power among IPR holders. On the other hand, IPRs can facilitate knowledge diffusion since patent information is accessible to potential inventors. Additionally, robust IPR protection can promote technology transfer via increased trade, foreign direct investment (FDI), technology licensing, and joint ventures. Despite this theoretical complexity, the primary benefit of the TRIPS Agreement is seen as technology diffusion from technologically advanced nations to others, especially in developing countries with limited innovation capacity.

Bangladesh can adopt case studies from the Southeast Asian region. For instance, Thailand also has provisions for technology transfer, particularly in the context of foreign investment. According to the Foreign Business Act of 1999, foreign investors who wish to engage in restricted business activities in Thailand must prepare and submit a technology transfer plan as part of their application for a Foreign Business License.<sup>21</sup>

Furthermore, Vietnam's Law on Investment 2020 includes provisions for investment incentives, which cover projects with technology transfer on the list of technologies encouraged for transfer under the law on technology transfer. This indicates that the law acknowledges and incentivizes technology transfer, particularly in the context of foreign investments.

To improve technology transfer, enhancing the investment climate is crucial. This includes simplifying the repatriation of royalties, fees related to technical assistance, streamlining the process for expatriate work permits, revising import tariffs, and fostering stronger connections between FDI assemblers and domestic suppliers. Additionally, establishing a dedicated division within Investment Promotion Agencies (IPAs) for linkage development is essential for this facilitation.

## 5.8 Free Trade agreements (FTAs), Multilateral Trade Agreements, and Bilateral Investment Treaties (BITs)

As a least developed country (LDC), Bangladesh currently enjoys GSP/DFQF preferences from 21 destinations. However, with Bangladesh's anticipated graduation from LDC status in 2026, the continuation of this duty-free access will cease post-graduation. This presents a significant challenge to maintaining the consistent progress achieved in bilateral export trade with key export destination

<sup>20</sup> Eaton, J., & Kortum, S. "Trade in ideas Patenting and productivity in the OECD. *Journal of International Economics*, 40(3–4), 251–278, (1996).", Accessed November 11, 2023, [https://doi.org/10.1016/0022-1996\(95\)01407-1](https://doi.org/10.1016/0022-1996(95)01407-1)

<sup>21</sup> UNCTAD Investment Policy Hub, "Thailand - Foreign Business Act Investment Laws Navigator", Accessed November 18, 2023, <https://investmentpolicy.unctad.org/investment-laws/laws/40/thailand-foreign-business-act>

markets. In response, the consideration of a Bilateral Free Trade Agreement (FTA) has arisen as an alternative method to preserve duty-free market access in those destinations. Nevertheless, engaging in such an FTA comes with its own set of advantages and disadvantages, as it entails the exchange of reciprocal preferences.

Furthermore, the emergence of cross-regional Free Trade Agreements (FTAs) represents a significant shift in the recent international trade system. This trend sets these agreements apart from their predecessors in terms of economic importance, broader geographic coverage, and a more extensive range of trade-related matters, including Intellectual Property and Investment. Concurrently, the establishment of mega-regional trade agreements (MRTAs) marks the next phase in the evolution of regionalism, posing both an advancement and a considerable challenge for the global economy, the existing pattern of globalization, and the equilibrium of power. If Bangladesh seeks to join these MRTAs, it will need to adopt stringent provisions related to Investment and Intellectual Property in its domestic regulations. Additionally, compliance with numerous cross-cutting issues between IP and investment within these agreements will be necessary.

However, it's worth noting that the WTO agreements do not include specific legal provisions dictating the scope and standards of Investment Chapters within Free Trade Agreements (FTAs). Parties to the FTAs have the freedom to define their own parameters and criteria for Investment, allowing them to establish multiple, higher-level standards based on specific regulatory objectives. Typically, investment is addressed as an individual provision in Regional Trade Agreements (RTAs) that include distinct investment provisions covering the broader definition and scope of investment, pre-establishment and post-establishment commitments, general matters, and mechanisms for settling disputes between investors and states.

Literature suggests that both developed and developing nations adopt an expansive definition of investment in their Free Trade Agreements, regardless of their developmental stage. Countries employ varying approaches to specify this extensive coverage. For example, the Regional Comprehensive Economic Partnership (RCEP) includes a comprehensive definition of investment, specifying its particular characteristics, and follows pre-establishment commitments. Meanwhile, RCEP lacks a distinct Investor-State Dispute Settlement (ISDS) provision and establishes a work plan to initiate ISDS discussions no later than two years after the agreement's entry into force. In contrast, many countries have included distinct clauses and procedures under the investment chapter in most cases of forming FTAs to resolve Investor-State Disputes (ISDs). Regional Trade Agreements (RTAs) often have separate provisions for resolving ISDs under the investment chapter, referencing institutions such as ICSID, Additional Facility Rules of ICSID, the arbitration rules of UNCITRAL, or other agreed-upon instruments for ISD. However, a trend is observed in some RTAs, such as the Malaysia-Pakistan FTA and Malaysia-Japan Economic Partnership Agreement, where parties incorporate their own arbitration mechanisms, including the Kuala Lumpur Regional Centre for Arbitration as an option.

The patterns of FDI portray Bangladesh more as a destination for inbound FDI rather than an originator of outward investments. Approval from the Bangladesh Bank on a case-by-case basis is necessary for any outward investment from Bangladesh. As per Bangladesh's FPIPPA Act of 1980, the government has the authority to approve foreign private investment based on its potential contribution to:

- the development of capital, technical and managerial resources of Bangladesh; or
- the discovery, mobilization or better utilization of the natural resources; or
- the strengthening of the balance of payment of Bangladesh; or
- increasing employment opportunities in Bangladesh; or
- the economic development of the country in any other manner.

Bangladesh has entered into various bilateral investment treaties with different nations, in addition to several regional agreements that include provisions related to investments. So far, Bangladesh has signed BITs with 33 countries: United Kingdom, Germany, BLEU (Belgium-Luxembourg Economic Union), France, United States of America, Korea, Republic of, Romania, Turkey, Italy, Canada, Netherlands, Malaysia, Pakistan, China, Poland, Philippines, Indonesia, Japan, Korea, Dem. People's Rep. of, Uzbekistan, Switzerland, Austria, Iran, Thailand, Singapore, Viet Nam, India, Denmark, United Arab Emirates, Belarus, Cambodia, Bahrain, Kuwait. In many instances, the treaties outline procedures for resolving Investor-State Disputes <sup>22</sup>, along with provisions for addressing disputes between the involved parties.

At a regional level, Bangladesh signed the SAARC Preferential Trading Arrangement (SAPTA) in 1993 and the Agreement on South Asian Free Trade Area (SAFTA) in 2004 which succeeded SAPTA in 2006. Bangladesh is also member of Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) since 1997 and a member of APTA (formerly known as the Bangkok Agreement) which is the oldest preferential regional trade agreement in the Asia-Pacific region, signed in 1975. Moreover, Bangladesh is also a member of the Developing-8 (D- 8) consisting of Indonesia, Iran, Malaysia, Nigeria, Pakistan, and Turkey signed in 2006. So far, there are no concrete provisions for investment treaties, especially bilateral treaties in the BIDA Act 2016 and the OSS 2018. In the case of the Asia-Pacific Trade Agreement (APTA), the parties have mutually consented to engage in further negotiations to define the detailed procedures for settling Investor-State Disputes and disputes among the parties.

The FPIPPA Act of 1980 guarantees post-establishment protection but imposes conditions on pre-establishment commitments during the approval stage. Imposing such conditions on pre-establishment commitments in a potential Regional Trade Agreement (RTA) could pose challenges for Bangladesh. Given that FTAs/CEPAs typically emphasize pre-establishment commitments, Bangladesh must decide whether to maintain this approach in future FTAs or eliminate these conditions, necessitating amendments to the Act. Addressing these cross-cutting issues may be facilitated through the incorporation of changes in the FPIPPA Act of 1980 and the BIDA Act, 2016, with potential amendments to the One Stop Service Act, 2018 for effective implementation.

## 5.9 Additional Policies for Safeguarding Foreign Direct Investments (FDI)

Bangladesh is a member of the Multilateral Investment Guarantee Agency (MIGA), an entity under the World Bank that provides insurance coverage to investors against political risks. MIGA aims to assure foreign investors against non-commercial losses and promote foreign direct investment (FDI). This guarantee from MIGA safeguards investors from risks related to currency transfer, expropriation, conflicts, and civil disturbances. It's important to note that MIGA's scope is limited to mitigating risks for new investments, privatization, and financial restructuring, and provides guarantees for 3 to 15 years (20 years occasionally). Moreover, MIGA does not provide export credit insurance <sup>23</sup>.

The Overseas Private Investment Corporation (OPIC), a U.S.-based entity, offers insurance coverage to American investments entering emerging markets like Bangladesh. OPIC provides essential

<sup>22</sup> The mechanism available for settling ISDs are: competent court of the party where the investment has made; ICSID; UNICTRAL; Arbitration in accordance with the rules of procedure of the Arbitration Institute of Stockholm Chamber of Commerce; Court of Arbitration of the Paris International Chamber of Commerce;

<sup>23</sup> Frequently asked questions, Multilateral Investment Guarantee Agency, Accessed November 10, 2023, <https://www.miga.org/frequently-asked-questions>



assurances to foreign investors in the event of unexpected significant occurrences such as civil conflict, expropriation, and natural disasters.

## 5.10 Incentives

The table below chalks out a breakdown of the incentives provided by BIDA to local and international investors in Bangladesh:

Category	Incentive/Facility
Newly Established Companies	<ul style="list-style-type: none"> <li>Reduced corporate income tax by 5 to 10 years.</li> <li>Duration and percentage depend on sector and location.</li> <li>Eligible sectors: Pharmaceuticals, agriculture machinery, automobiles, electronics, textiles, etc.</li> </ul>
Import Duty Exemption	<ul style="list-style-type: none"> <li>Reduced customs duties on capital machinery.</li> <li>Exemption of import duties on raw materials for export goods</li> </ul>
Export-Oriented Industries	<ul style="list-style-type: none"> <li>50% income tax exemption for exporters (unless paying tax at a reduced rate).</li> <li>There is no duty on export (except for tobacco products).</li> <li>Bonded warehousing facilities.</li> <li>Duty drawback facilities.</li> <li>Additional benefits for exporters in certain sectors.</li> </ul>
Public-Private Partnership (PPP)	<ul style="list-style-type: none"> <li>100% income tax exemption for 10 years.</li> <li>100% exemption on capital gains (share capital, royalty, etc.) for 10 years.</li> <li>50% income tax exemption for foreign technicians for the first 3 years.</li> <li>Exemption rates for infrastructure projects have been reduced over the past ten years.</li> </ul>
Other Facilities and Privileges	<ul style="list-style-type: none"> <li>Accelerated depreciation for machinery and plants.</li> <li>Tariff refund/duty drawback facility on import tariffs for raw materials.</li> <li>Bonded warehousing for export-oriented industries and large imports for local selling.</li> </ul>
Foreign Investor Facilities	<ul style="list-style-type: none"> <li>Protection under the Foreign Private Investment Act 1980.</li> <li>Equal treatment for local and foreign investors.</li> <li>Repatriation of invested capital, profit, and dividends is allowed.</li> <li>Intellectual Property Rights protection.</li> <li>100% FDI, Joint Ventures, PPPs, and other investment modes allowed.</li> <li>Bilateral and multilateral agreements ensure protection of investment.</li> </ul>

Table 6 Incentive Table - Category wise

### 5.10.1 Comparison of Investment Incentives

The following is a comparison of the various investment incentives which are provided to investors in South Asia, Southeast Asia, and the Middle East:

Country	Corporate Income Tax Incentives	Economic Zones	Industry Based Incentives	Visa Incentives
Vietnam	<div>10% tax rates for 15 years from the first year of income generation.</div> <div>Tax holidays: Exemptions for 24 years, 50% reduction for subsequent years.</div>	<div>increased access to infrastructure, pools of talent, and networks of suppliers.</div> <div>10 percent CIT for the lifetime of the project in economic zones in extremely disadvantaged areas.</div>	Certain sectors in Vietnam are encouraged for investment which is beneficial to society; IT, Biotech, R&D, Education, training, healthcare, environment, and culture.	<div>Investor Visa (DN Visa): Foreign investors and their dependents.</div> <div>Longterm visa for investors.</div> <div>Dependents may also qualify.</div> <div>Exemptions or reductions in visa fees.</div>
India	<div>Foreign companies: 40% income tax.</div> <div>Partnership firms: 30%</div> <div>100% deductions for specified businesses.</div>	<div>SEZs: 100% income tax exemption for 5 years, 50% for the next 5 years. Customs duty exemption</div> <div>Simplified procedures, infrastructure support, flexibility in employment.</div> <div>Exportoriented units have Dutyfree import</div>	Certain sectors receive more priority; IT Hardware and electronics, Pharmaceuticals and Biotech, Food Processing, Renewable Energy, Textile, Automobile, and Chemicals.	Multiple entry visa with a validity of up to 5 or 10 years. No requirement of a minimum gap between consecutive visits.
UAE	<div>Zero tax on personal income.</div> <div>5% VAT</div>	<div>Free zones offer companies 100% ownership, full repatriation of profits and capital, and no import/export duties.</div> <div>partial exemption from corporate income tax for a specified period</div> <div>exemptions on customs</div>	Prioritized sectors: R&D, Food and Agriculture, Healthcare, IT/AI, Pharmaceuticals, and Manufacturing	<div>1year 'Digital Nomad Visa', 100% repatriation of capital and profits, flexible structures onshore and in free zones.</div> <div>10year 'Golden Visa' for investors, property owners, and highly talented</div>

Country	Corporate Income Tax Incentives	Economic Zones	Industry Based Incentives	Visa Incentives
		<p>duties for imports and exports.</p> <p>simplify bureaucratic procedures, providing a business-friendly environment.</p> <p>One-stop services for licensing, permits, and approvals</p>		<p>individuals.</p> <p>No foreign exchange controls.</p> <p>Stable exchange rates</p>
Thailand	<p>Up to 90% reduction in import duties on materials used in manufacturing for domestic sale.</p> <p>50% reduction in CIT rate for a maximum of ten years if no tax holiday is granted.</p>	<p>tax exemptions for a specified period, typically 3 to 8 years, depending on the location and type of economic activity; Industrial Estates, Science Parks, and Free Trade Zones.</p> <p>economic zones allow foreign investors to own land for specific purposes. This can be advantageous for long-term investments.</p>	<p>Incentives for automotive, electronics, medical services, and agriculture industries.</p> <p>Priority sectors eligible for additional incentives, including software development, aerospace, and environmental management.</p>	<p>Foreign investors may be eligible for a one-year visa, which allows for an extended stay in Thailand.</p> <p>Foreign investors who fulfill specific criteria, such as meeting minimum residency requirements, financial standards, and maintaining a clean criminal record, are eligible to apply for permanent residency in Thailand.</p>
Malaysia	<p>Exemption from CIT on 70% of statutory income; 30% taxed at prevailing CIT rate.</p> <p>ITA: 60% allowance on qualifying capital expenditure</p>	<p>FIZs allow duty free import of raw materials and components used in the manufacturing process.</p> <p>Goods produced in FIZs and exported are generally exempt from customs duties.</p>	<p>High-tech companies may be eligible for pioneer status, offering tax exemptions.</p> <p>Biotech firms can apply for BioNexus status for tax exemptions and grants.</p> <p>R&amp;D companies</p>	<p>MM2H program attracts expats to live in Malaysia long-term.</p> <p>Foreigners, including retirees, workers, and investors, are welcome.</p> <p>Multiple-entry social visit visa.</p>

Country	Corporate Income Tax Incentives	Economic Zones	Industry Based Incentives	Visa Incentives
	for 5 years; 30% taxed at prevailing CIT rate.		may benefit from double deductions on qualifying expenses.	<div>Long-term stay with a 10-year renewable visa.</div> <div>Option to bring dependents.</div> <div>Ability to purchase property in Malaysia.</div> <div>No minimum stay requirement</div>

Table 7 Comparison of Investment Incentives (Country Wise)

## 5.11 Outward Remittance/ Repatriation

Profit and capital repatriation must adhere to reporting requirements or receive authorization from the Bangladesh Bank. The following outward remittances can be made with prior approval of Bangladesh

- Payouts of dividends
- Expenses related to training and consulting
- Settling approved foreign loans.
- Royalties, franchise fees, technical licenses, know-how, and assistance fees
- Transfers of shares and securities.

Specialized foreign exchange regulations are applicable to specific industries, including shipping agents, freight forwarding agents, courier companies, and airline companies.

The government gazette<sup>24</sup>, ‘The Guidelines for Outward Remittance and Repatriation for Payment of Royalty, Technical Knowledge/ Technical Know-how Fee(s), Technical Assistance Fees(s), and Franchise Fee(s)’ was circulated in 2021 which served the purpose of clarifying processes and procedures for outward remittance and repatriation for payment of royalty, technical knowledge/ technical Know-how Fee(s), technical assistance fees(s), and franchise fee(s) by private industrial enterprises registered in Bangladesh. This gazette could possibly cut down the time for outward remittance by 15-20 days and cut the cost of repatriation since no fees have to be paid to BIDA as authorized dealers will be able to remit directly. Payments surpassing these limits necessitate explicit approval from BIDA (more than 6% for any given year for royalty)<sup>25</sup> which doesn’t make outward remittance simpler. However, BIDA’s another handbook states that a prior-approval by BIDA is necessary for remitting “any technical fees”. In practice, even if the amount is within the threshold,

<sup>24</sup> Bida, “RemittanceGuidelines2020Gadget”, Accessed November 11, 2023, <https://bida.gov.bd/storage/app/media/pdf/RemittanceGuidelines2020Gadget.pdf>

<sup>25</sup> BIDA, Accessed November 11, 2023, <https://bida.gov.bd/details/what-procedure-repatriation-royalty-franchise-technical-license-know-how-assistance-fees#:~:text=Prior%20approval%20of%20BIDA%20must,known%2Dhow%2F%20assistance%20fee.https://bida.gov.bd/details/what-procedure-repatriation-royalty-franchise-technical-license-know-how-assistance-fees#:~:text=Prior%20approval%20of%20BIDA%20must,known%2Dhow%2F%20assistance%20fee.>

BIDA requests the companies to submit “remittance application” with relevant documents. It is also reported that it takes relatively longer time to judge if the particular of fee remittance is of relevance or not. Further, those cases where the amount to be remitted exceeds the threshold value may be treated as special cases in practice, thus subject to relatively stringent appraisal by BIDA’s executive committee.

Similarly, the Foreign Exchange Circular No. 22, issued on August 09, 2016, under the title 'Foreign Exchange Regulations for Enterprises and Developers in Bangladesh Economic Zones (EZs),' permits to remit royalty, technical know-how, and technical assistance fees without prior Bangladesh or BEZA approval if the total fees and expenses don't exceed the specified limits. However, exceeding these limits requires BEZA's prior approval, and each transaction must be reported to both Bangladesh Bank and BEZA<sup>26</sup>.

Ensuring repatriation of investment/dividend is one of the preconditions of foreign direct investment in any country. Before transferring profits from foreign subsidiaries to the parent company, it is necessary to secure approval from the Bangladesh Bank. However, the Bangladesh Bank often presents obstacles in the process of repatriating profits, which is one of the prerequisites for foreign direct investment (FDI), ultimately impeding the inflow of FDI. Consequently, international investors encounter challenges in repatriating their funds or dividends. When private sector industrial enterprises engage in outward remittances to foreign group entities, they are obligated to perform an arm's length analysis for outward remittance payments, regardless of the remittance amount. Consequently, applicants must provide evidence of the arm's length pricing for such transactions to facilitate outward remittances. Implementing streamlined profit repatriation regulations, similar to those of neighboring countries like Vietnam or India, could attract more foreign investment into Bangladesh.

Even though the BIDA handbook and foreign exchange guidelines outline the criteria for remitting royalties, technical know-how/assistance fees, they lack comprehensive procedural instructions or related details. It is essential for the Bangladesh Bank to issue a circular explicitly stating that these types of repatriation can be conducted through an integrated approach to simplify and expedite the process, reducing complications. Regional contemporaries including India, Vietnam, and Indonesia have simplified laws regarding investments to lure FDI and Bangladesh needs to follow a similar approach.

## 5.12 Foreign Ownership Opportunities

Bangladesh broadly welcomes foreign investment, adhering to a principle of non-discrimination, with most sectors allowing 100 percent foreign ownership. Exceptions requiring local ownership include roles like freight/cargo forwarding agents, airline/railway/general or pre-shipment service cargo agents, shipping agents, courier service agents, buying houses, indenting agents, advertising agents, and for-profit educational institutions.<sup>27</sup> However, not all industries permit 100 percent foreign investment, limiting the involvement of foreign investors in standard activities like establishing Branch Offices in those particular sectors.

The 2022 National Investment Policy outlines industries subject to regulation and those designated for exclusive investment, requiring specific approval for investment. According to the 2022 National

<sup>26</sup> The Financial Express, "Foreign investment: Need for simplification of repatriation rules and regulations. (2016)", Accessed November 13, 2023, <https://thefinancialexpress.com.bd/views/opinions/foreign-investment-need-for-simplification-of-repatriation-rules-and-regulations>

<sup>27</sup> BIDA, FAQ, Sectors for Investment, Accessed November 11, 2023, <https://bida.gov.bd/>

Industrial Policy (Paragraph 3.2.14 - Reserved Industry), four sectors are exclusively reserved for government investment, including arms, ammunition, and defense equipment; forest plantations and mechanized extraction in reserved forests; nuclear energy production; and security printing (e.g., currency). Industries categorized as reserved are not accessible for private investment. Conversely, as stated in the 2022 National Industrial Policy (Paragraph 3.2.15 - Controlled Industry), there are 22 industries where investments are controlled. These include deep-sea fishing, banking/finance, insurance, power generation, supply and distribution, natural gas/oil exploration and extraction, coal exploration and extraction, other mineral resources exploration and extraction, large-scale infrastructure (e.g., flyover, expressway, monorail, economic zone), crude oil refinery (recycling/refining of lube oil as fuel), medium and large industries using natural gas/condensate and other minerals as raw material, telecommunications (mobile/cellular and land phone), satellite channels, cargo/passenger aviation, sea-bound ship transport, sea-port/deep sea-port, VOIP/IP telephony, industries using heavy minerals accumulated from the sea beach, explosive production, acid production, chemicals, all kinds of sludge, and fertilizer made from sludge, stone crushing. Prior to registering with BIDA/BEZA/Hi-Tech Park/BEPZA, potential investors in controlled industries must obtain a 'No Objection Certificate (NOC)' from the relevant ministry/division.

Alternatively, the government of Bangladesh provides foreign investors with the chance to conduct business in the country by permitting them to invest in a subsidiary or a Joint Venture Companies. Foreign investors have the option to establish a wholly owned company, a subsidiary, or a joint venture in Bangladesh. Common forms of business incorporation are public or private limited companies. These companies must adhere to the Companies Act 1994 and are free to engage in any legal business activity and establish operations anywhere within Bangladesh. The company incorporation process involves several steps which starts with obtaining a name clearance from the Office of the Registrar of Joint Stock Companies and Firms (RJSC) followed by opening of bank account and preparing the Articles and Memorandum of Association and submitting an application for incorporation with RSJC which may take up to 5 weeks.<sup>28</sup>

In a Joint Venture company, both domestic and international investors collaborate to form an entity while adhering to the legal requirements. It's important to note that in the context of foreign investment in JV companies, particularly those offering freight forwarding services, the ownership structure is regulated. Foreign investors are restricted to a maximum of 40% share ownership, with the remaining 60% mandated for local investors. This 60/40 local-to-foreign shareholding ratio is a prerequisite for establishing a JV Logistics Company and subsequently acquiring a freight forwarding license. Both individual and multiple foreign investors can contribute to a single project, provided there is at least one local investor.<sup>29</sup>

<sup>28</sup> BIDA, FAQ , Trade License/ Company Incorporation, Accessed November 11, 2023, <https://bida.gov.bd/details/how-foreign-investors-can-incorporate-company-bangladesh>

<sup>29</sup> Revenue Aid , Accessed November 11, 2023, <https://revenueaid.com.bd/joint-venture-company#:~:text=Only%2060%25%20local%20shareholding%20and,for%20obtaining%20Freight%20forwarding%20license.>

### 5.13 Exit Policy

After completion of commercial objectives, foreign investors can exit or divest their investment in Bangladesh through the following options

- Share Transfer
- Business Transfer
- Winding Up or Liquidation

An investor has the option to terminate an investment by either convening an annual or extraordinary general meeting. Upon fulfilling the necessary procedures to exit the country, a foreign investor may repatriate the net proceeds following the acquisition of proper authorization from the central bank, which is the Bangladesh Bank.

The current exit policy is considered favorable since it follows international standards and has measures where investors are guaranteed withdrawal. However, the current exit policy may be more tilted in favor of big investors, and medium sized foreign investors may find the terms, conditions and dispute settlements fairly difficult.

While the exit policy is quite favorable, the primary concern ultimately revolves around the repatriation of profits, which may not be as straightforward due to procedural requirements, approvals, and potential delays.

### 5.14 Integration of OSS with National Single Window

On February 22, 2017, the WTO's Trade Facilitation Agreement (TFA), officially known as the Agreement on Trade Facilitation, became effective after receiving ratification from two-thirds of WTO Members, serving as the foundation for this analysis. Primarily centered around Customs-related matters, the TFA features provisions with varying degrees of binding force, including those that are obligatory (e.g., Art. 1.1 on Publication), those that are encouraged but not mandatory (e.g., Art. 1.3 on Enquiry Points), and others that represent a combination of both (e.g., Art. 1.3 on Enquiry Points). Article 10.4 of this Agreement covers the issue of Single Window which states that "*Members shall endeavour to establish or maintain a single window, enabling traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single-entry point to the participating authorities or agencies. After the examination by the participating authorities or agencies of the documentation and/or data, the results shall be notified to the applicants through the single window in a timely manner.*"<sup>30</sup>

Single Windows are formally defined as "facilities that allow parties involved in trade and transport to lodge standardised information and documents with a single-entry point to fulfil all import, export, and transit-related regulatory requirements"<sup>31</sup>. Projections of World Trade Organization (WTO) indicate that the complete enactment of the TFA could lead to an average reduction of 14.3% in trade costs and potentially increase global trade by as much as \$1 trillion annually, with the most significant benefits accruing to the least developed nations. Govt. of Bangladesh has taken initiatives to implement this TFA provision of Single Window.

<sup>30</sup> UNCTAD, "Agreement on Trade Facilitation, Article 10.4", Accessed November 10, 2023, [https://unctad.org/system/files/non-official-document/wto-technical-note\\_ch10a10-04\\_en.pdf](https://unctad.org/system/files/non-official-document/wto-technical-note_ch10a10-04_en.pdf)

<sup>31</sup> UN/CEFACT Recommendation 33. This is the most known definition of the Single Window concept, Accessed November 10, 2023, [https://unece.org/DAM/cefact/recommendations/rec33/rec33\\_trd352e.pdf](https://unece.org/DAM/cefact/recommendations/rec33/rec33_trd352e.pdf)



NBR is currently implementing a nationwide single window system in Bangladesh, which aims to streamline all customs procedures related to foreign trade through a unified interface. This project is funded by the World Bank and is designed to enhance the ease of conducting business by modernizing international trade processes with a user-friendly system. To oversee the project, a dedicated implementation unit has been established, and Memorandums of Understanding (MoUs) have been executed with 39 different government and non-government entities.

On the other hand, to enhance investment facilitation services in Bangladesh, the government has introduced the “One Stop Service Act 2018.” This legislation grants authority to the Bangladesh Investment Development Authority (BIDA) to implement One Stop Services (commonly known as a One Stop Shop) for investors, in collaboration with other investment promotion agencies such as the Bangladesh Economic Zones Authority (BEZA), Bangladesh Export Processing Zones Authority (BEPZA), and Bangladesh Hi-Tech Park Authority (BHTPA). The One Stop Services, administered by BIDA, will function as a unified platform and the sole point of contact between the government and investors seeking investment-related services outside the special economic zones established by BEZA, BEPZA, and BHTPA.

Integrating OSS with the National Single Window poses challenges due to the involvement of multiple agencies in both systems. To facilitate integration, BIDA can take an initiative to identify potential integration points. If both systems function effectively, it could positively impact investors by enhancing the ease of doing business in Bangladesh. However, achieving fully functional and integrated systems, as seen in countries like Singapore with their 'TradeNet,' may take time. ‘TradeNet’ serves as Singapore's National Single Window for trade declarations, streamlining regulatory compliance for imports, exports, and transshipments. By providing a single point of entry for submitting declarations to multiple regulatory agencies, ‘TradeNet’ significantly reduces the time and cost associated with preparing, submitting, and processing trade documents.

## 5.15 Taxation and VAT Policies

During a dialogue organized by the Foreign Investors' Chamber of Commerce and Industry (FICCI) in August 2023, speakers highlighted the importance of creating a more tax-friendly environment in Bangladesh to stimulate both local and foreign direct investments (FDI).

To attract investors who are considering relocation, several countries have revamped their tax policies. For instance, India has significantly reduced its corporate tax rate from 30% to 22%, and newly established industrial enterprises enjoy an even lower tax rate of 17%<sup>32</sup>. Additionally, unlike Bangladesh, countries such as India, Vietnam, and Thailand do not impose VAT requirements on industries operating within economic zones. This competitive landscape necessitates a reconsideration of corporate tax rates and VAT policies in Bangladesh to foster a surge in FDI inflows.

## 5.16 Encouraging Participation of Women in Foreign Investment

The concept ‘SheTrades’ is an initiative launched by the International Trade Centre (ITC) with the aim of promoting and facilitating the involvement of women in international trade which recognizes the potential of women entrepreneurs and business leaders to contribute significantly to economic growth and development but acknowledges that they face unique challenges in accessing global markets.

<sup>32</sup> Light Castle Partners, "FDI inflow in Bangladesh: Time to rethink and redesign policies.", Accessed November 17, 2023, <https://www.lightcastlebd.com/insights/2020/10/fdi-inflow-in-bangladesh-time-to-rethink-and-redesign-policies>



This concept focuses on empowering women economically by enhancing their participation in international trade through various strategies. One such initiative is encouraging women's participation in international investment to attract FDI. After examining the BIDA Act, it is found that this act partially addressed this issue through incorporating women member in the different committees. But this issue could also be addressed in the One Stop Service Act, 2018. Moreover, several measures could also be taken to address the issue of women participation through different policy support measures such as gender-inclusive regulations and incentives for investors led or owned by women. In addition, networking opportunities could also be developed through creating platforms and networks that facilitate connections between women entrepreneurs, investors, and relevant stakeholders in the international investment landscape. In the future amendment of the BIDA Act including the OSS Act, such initiatives could be considered.

### 5.17 Infrastructural Gaps discouraging Foreign Investment

Attracting FDI is paramount for Bangladesh's economic growth. However, existing infrastructural gaps, particularly in logistics and transportation, present significant barriers. Complex regulations and restrictions hinder the development of logistics services, discouraging FDI inflows into this pivotal sector. In 2018, Bangladesh ranked 100th in the Logistics Performance Index<sup>56</sup> whereas in the same region India ranked 44th.<sup>33</sup> Trade in Bangladesh is paper-heavy and not automated. With the absence of an adequate computerized system, Bangladesh is not realizing the full economic benefits of trade facilitation. In addition, the staff lacks the capacity for new techniques, approaches, and customs practices and procedures.

The Dhaka-Chittagong Corridor (DCC) is a critical component of Bangladesh's trade landscape, handling nearly 66% of the nation's import and export activities. Logistical inefficiencies within the DCC have hindered the promotion of foreign direct investment (FDI). These inefficiencies result in increased costs, delivery delays, logistical instability, and operational challenges for manufacturing facilities. The congested conditions in Dhaka exacerbate these issues, and rail transport remains a limited option.

Chittagong Port, serving as the primary gateway, manages over 90% of Bangladesh's foreign trade. Data from World Bank and S&P Global Market Intelligence indicate that Bangladesh's main seaport in Chittagong is Asia's least efficient port. However, despite its significance, Chittagong Port faces challenges in terms of transportation conditions and related services, marked by complexities, lengthy procedures, stringent customs regulations, and corruption. Logistical inefficiencies within the DCC have hindered the promotion of foreign direct investment (FDI). These inefficiencies result in increased costs, delivery delays, logistical instability, and operational challenges for manufacturing facilities. The congested conditions in Dhaka exacerbate these issues, and rail transport remains a limited option.<sup>34</sup> The facilitation of foreign investment, particularly in sectors like agriculture and pharmaceuticals, relies heavily on the establishment of a robust logistics and cold chain infrastructure. However, Bangladesh faces formidable challenges in its existing logistics system, marked by regulatory complexities and restricted access to Inland Container Depots (ICD) for managing perishable imports. Through the simplification of regulations and the introduction of incentives for investments in cold chain facilities, Bangladesh can significantly enhance its capacity to export perishable commodities such as fruits,

<sup>33</sup> World Trade Organization, "Trade Policy Review," WT/TPR/S/381/Rev.1 • Nepal, February 27, 2019, wto.org, Accessed June 29, 2022, <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:WT/TPR/S381R1.pdf&Open=True>.

<sup>34</sup> JICA, Project for Promoting Investment and Enhancing Industrial Competitiveness in the People's Republic of Bangladesh Final Report Attachment (Component 1). (2022, May), Accessed November 15, 2023, <https://openicareport.jica.go.jp/pdf/12336715.pdf>

vegetables, pharmaceuticals, and premium meat. Such improvements will not only make the nation more attractive to foreign investors but will also elevate its overall economic development prospects.<sup>35</sup>

Besides, to address congestion and operational challenges, the Government of Bangladesh (GoB) initiated projects to develop new deep-sea ports in Matarbari and Payra. Furthermore, efforts are underway to enhance Chittagong Port's capacity. Inland Container Depots (ICDs) and Container Freight Stations (CFSs) have been encouraged to alleviate congestion. However, these facilities also experience congestion, necessitating plans for additional container terminals.

Though rail transport offers a promising mode for container movement between Chittagong Port and Dhaka, characterized by lower freight rates, reduced cargo damage risk, and enhanced customs services, its utilization falls short due to limited train frequency and short train lengths, attributed to various constraints. Firstly, the existing wagon braking system imposes a speed limit of just 29 km/h, inhibiting efficient transportation. Additionally, the railway-linked Inland Container Depot (ICD) located in Dhaka faces limitations in handling capacity, causing delays and inefficiencies in cargo movement. Furthermore, certain sections of the railway system, primarily serving passenger trains, experience high demand while grappling with a shortage of wagons and locomotives. This dual pressure hampers the railway's ability to provide timely and reliable freight services.<sup>36</sup>

Additionally, the lack of research and development (R&D) infrastructure is identified as a significant barrier to the growth of industries in Bangladesh. Moreover, need for greater investment in digital infrastructure, collaboration between stakeholders, and the development of a holistic digital strategy to streamline port operations and enhance trade facilitation in Bangladesh.<sup>37</sup> Diversifying exports beyond the RMG sector, addressing vulnerabilities in the financial sector, and promoting sustainable urbanization all hinge on a robust and efficient infrastructure. Given Bangladesh's vulnerability to climate change and natural disasters, investments in resilient infrastructure are imperative. Green growth strategies are essential for ensuring the sustainability of development outcomes for future generations.

## 5.18 Institutional Challenges within BIDA

The Bangladesh Investment Development Authority (BIDA) faces key institutional challenges as follows. Enhancing these areas is vital for BIDA's role in investment promotion, facilitation, and policy advocacy.

**Manpower Shortage:** Frequent officer transfers hinder knowledge continuity. Strengthening BIDA's team through capacity development and expanded roles is essential.

**Internal Coordination:** A key challenge is coordinating between HQ and Divisional Offices for human resource development and information management. Although HQ organizes training for officials, Divisional Office staff should also be included. Due to their proximity, Divisional Offices have a crucial role in interacting with registered foreign companies and communicating with domestic and foreign

<sup>35</sup> The Business Standard, "Ali, J. N. a. S. Foreign investment in cold-chain infrastructure: Bangladesh needs a sound logistics policy, (2023, October 23)," Accessed November 11, 2023, <https://www.tbsnews.net/features/panorama/foreign-investment-cold-chain-infrastructure-bangladesh-needs-sound-logistics>

<sup>36</sup> JICA, Project for Promoting Investment and Enhancing Industrial Competitiveness in the People's Republic of Bangladesh Final Report Attachment (Component 1). (2022, May), Accessed November 15, 2023, <https://openjicareport.jica.go.jp/pdf/12336715.pdf>

<sup>37</sup> The Daily Star, "Haq, K. E. Digitising our ports, embracing innovation, (2020, February 15)." Accessed November 15, 2023, <https://www.thedailystar.net/supplements/29th-anniversary-supplements/reimagining-growth-the-digital-age/news/digitising-our-ports-embracing-innovation-1868437>

investors. There should be a coordination mechanism for HQ-registered investors, facilitating information sharing and Divisional Offices' monitoring responsibilities.

**Integration of OSS Services:** BIDA's One-Stop Service (OSS) is underutilized due to incomplete integration of procedures and insufficient coordination with other authorities.

**Investment Monitoring:** Effective monitoring is necessary to track investment progress and address issues faced by investors. This data is crucial for improving services and policy reform.

**After-care:** Post-registration support for investors is lacking. BIDA should establish mechanisms for regular communication and updates to investors.

**Disseminated Information Quality:** Enhancing the quality and practicality of information provided to investors is crucial, including details on market size and investment procedures.

Being under the direct supervision of the Prime Minister's Office, BIDA is in a strategic position to exert more influence on institutional frameworks, which could significantly enhance the investment climate.

## 6. Comparison with the International Good Practices

Viet Nam <sup>38</sup>	India <sup>39</sup>	Thailand <sup>40</sup>	Malaysia <sup>41</sup>
Main Policy and Legal Instruments			
<p>Vietnam's revised Law on Investment (LOI 2020), effective since January 1, 2021, takes precedence over other sector-specific laws in cases of conflict, except for the Securities Law, the Law on Credit Institutions, the Law on Insurance Business, and the Law on Petroleum.</p> <p>Vietnam has committed to international investment agreements (IIAs), including 62 Bilateral Investment Treaties (BITs), of which 49 are currently in force, and 26 Treaties with Investment Provisions (TIPs), with 20 in force. Additionally, Vietnam is a party to 75 Double Taxation Avoidance Agreements</p>	<p>India regulates foreign investment through the Foreign Exchange Management Act, 1999 (FEMA) and related regulations. FEMA aims to streamline foreign exchange matters, facilitate foreign investment, support external trade and payments, and ensure the orderly development of India's foreign exchange market.</p> <p>India's current Foreign Direct Investment (FDI) policy is outlined in the Consolidated Foreign Direct Investment Policy Circular of October 15, 2020. The Department of Promotion of Industry and Internal Trade (DPIIT) is the government agency responsible for formulating and updating the FDI</p>	<p>The main law governing foreign investment in Thailand is the Foreign Business Act B.E. 2542 of 1999 (FBA), as amended. Another significant law affecting foreign investors is the Investment Promotion Act B.E. 2520 (1977) (IPA).</p> <p>Thailand has also established international investment obligations through various agreements, including 36 Bilateral Investment Treaties (BITs) and 20 Treaties with Investment Provisions (TIPs) that are currently in effect. Additionally, Thailand is a party to 71 Double Taxation Avoidance Agreements (DTAAs) that are</p>	<p>Malaysia lacks a unified, comprehensive law specifically governing foreign investment within the country. Instead, regulations and requirements pertaining to foreign investors are typically industry-specific and managed by relevant government agencies or sectoral regulators. Key instruments at the national level overseeing foreign investment include the Income Tax Act (1967), the Promotion of Investment Act (1986, as amended in 2014), and the Malaysian Investment Development Authority (MIDA) Act (1967). Before 2012, foreign investments were subject to regulation under the Foreign Investment Committee (FIC)</p>

<sup>38</sup> 2022 INVESTMENT POLICY AND REGULATORY REVIEW, Vietnam. (n.d.). World Bank Group., Accessed November 11, 2023, <https://documents1.worldbank.org/curated/en/099010209062233021/pdf/P1739380c178d50340a5e30b51d6df72784.pdf>

<sup>39</sup> 2022 INVESTMENT POLICY AND REGULATORY REVIEW, Vietnam. (n.d.). World Bank Group., Accessed November 17, 2023, <https://documents1.worldbank.org/curated/en/099250001122317918/pdf/P17393805f173108a0b578068cc073e8012.pdf>

<sup>40</sup> World Bank., "KherPriyankaKusekPeterEltgenMaximilian, P. a. A. (n.d.). Thailand - 2019 Investment policy and regulatory review", Accessed November 18, 2023, <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/656861585846372606/2019-investment-policy-and-regulatory-review-thailand>

<sup>41</sup> 2022 INVESTMENT POLICY AND REGULATORY REVIEW, Vietnam. (n.d.). World Bank Group., Accessed November 11, 2023, <https://documents1.worldbank.org/curated/en/099250101122335107/pdf/P173938095f9e801e0893c02e9bd2e38d65.pdf>

Viet Nam <sup>38</sup>	India <sup>39</sup>	Thailand <sup>40</sup>	Malaysia <sup>41</sup>
(DTAAs).	<p>Policy, with updates communicated through press notes and press releases issued by India's central bank, the Reserve Bank of India (RBI), as amendments to FEMA.</p> <p>India has a significant number of international investment agreements (IIAs). It has signed 11 bilateral investment treaties, of which 7 are currently in effect, along with 13 treaties containing investment provisions, 9 of which are in force. Furthermore, India is a party to 94 Double Taxation Avoidance Agreements (DTAAs) that are currently in effect, impacting how foreign investors and investments are taxed in the country.</p>	currently in effect, impacting its authority to tax foreign investors and investments.	<p>Guidelines. The decentralized nature of foreign direct investment (FDI) laws and regulations in various sectors contributes to a complex and sometimes unclear legal framework.</p> <p>Malaysia has also committed to international investment agreements (IIAs). It has ratified 66 Bilateral Investment Treaties, with 54 currently in force, and signed 26 Treaties with Investment Provisions (TIPs), with 23 currently in force. Additionally, Malaysia is a party to 74 Double Taxation Avoidance Agreements (DTAAs) currently in effect, which influence the taxation of foreign investors and investments.</p>
Key Institution for Investment Promotion			
The Ministry of Planning and Investment (MPI) supervises the Foreign Investment Agency (FIA), which functions as the central administrative body responsible for investment matters at the national level	Invest India is India's central agency for promoting foreign investment, providing services such as market entry support, expansion advice, joint venture facilitation, sector-specific and state-specific information, and compliance guidance to foreign	The Thailand Board of Investment (BOI), an agency operating under the Office of the Prime Minister, serves as the primary national-level investment promotion authority. Its primary mandate is to encourage both Thai and foreign investments	In Malaysia, foreign investment is governed on a sectoral basis, with investment promotion responsibilities typically assigned to various national, regional, and state government agencies, as well as sector-specific regulators. The Malaysian Investment Development Authority (MIDA)

Viet Nam <sup>38</sup>	India <sup>39</sup>	Thailand <sup>40</sup>	Malaysia <sup>41</sup>
	<p>investors. At the ministerial level, DPIIT oversees foreign investment promotion in India, operating under Ministry of Commerce and Industry's (MOCI) administrative oversight. Established in 2009, Invest India is a public-private joint venture involving DPIIT, industry chambers, NASSCOM, and state governments, working to enhance investment promotion in a structured and comprehensive manner.</p>	<p>within Thailand, as well as to promote investments overseas.</p>	<p>serves as the primary agency responsible for investment promotion.</p>
Investment Incentives			
<p>Vietnam's investment incentives are applicable to both domestic and foreign investors and typically include tax holidays, allowances, accelerated depreciation, as well as exemptions from value-added tax (VAT) and customs duties.</p>	<p>The incentive framework aims to attract investments in specific sectors, boost development in less-developed regions, and stimulate exports of goods and services.</p> <p>Each state government has its own incentive policy, which offers various incentives based on factors like the priority industry, investment amount, location, and job creation, as outlined in the state's industrial policy. These incentives may encompass exemptions like stamp duty for land acquisition, value-added tax</p>	<p>BOI Announcement No. 2/2557 outlines the criteria for project approval, foreign shareholding, and the awarding of both activity-based and merit-based tax and non-tax incentives. Activity-based incentives are categorized as Group A or B, depending on the significance of the activity, such as infrastructure development, electricity production, advanced technology utilization, and more. Merit-based incentives are granted based on the project's merit, including areas like research and development, intellectual property</p>	<p>MIDA hosts an online portal containing crucial Malaysian tax and financial incentives for foreign investors.</p> <p>During the COVID-19 pandemic, the Malaysian government implemented stimulus packages as part of the National Economic Recovery Plan (PENJANA) in response to the economic downturn.</p>

Viet Nam <sup>38</sup>	India <sup>39</sup>	Thailand <sup>40</sup>	Malaysia <sup>41</sup>
	<p>(VAT) refunds or exemptions, and electricity duty waivers. Additionally, there are incentives such as tax holidays, contingent on industry and region, weighted tax deductions for research and development (R&amp;D) expenses within approved in-house facilities and accelerated and additional depreciation for certain industries and assets.</p> <p>There is no single portal for all tax incentives available to foreign investors. Information can be found on various government websites like DPIIT, the Ministry of Finance, Invest India, and Make In India, which are periodically updated.</p>	<p>acquisitions, advanced technology training, and product design.</p> <p>Additionally, investors can also access incentives through the Thai International Business Center (IBC) Scheme.</p>	
Foreign Investment Promotion Strategy			
<p>Vietnam's investment promotion strategy, applicable to both domestic and foreign investors, can be drawn from Decree 31.</p> <p>a. Arranging effective investment promotion activities suitable for</p>	<p>India established its foreign investment promotion strategy in 2008 with the introduction of the Scheme for Investment Promotion, which was launched under the XI Five Year Plan 2007-2012. The Department for Promotion of Industry and Internal Trade (DPIIT) is responsible for</p>	<p>The current investment promotion strategy of the country is laid out in its Seven Year Investment Promotion Strategy (2015-2021). The primary focus of the investment promotion policies is to:</p> <ol style="list-style-type: none"> <li>1. Encourage R&amp;D, innovation, and value creation in the agricultural,</li> </ol>	<p>There is no publicly available consolidated foreign investment promotion strategy document issued by the government.</p>

Viet Nam <sup>38</sup>	India <sup>39</sup>	Thailand <sup>40</sup>	Malaysia <sup>41</sup>
<p>different contexts and conditions at specific times.</p> <p>b. Balancing funding and delegations for practical investment promotion.</p> <p>c. Developing a list of projects to attract foreign direct investment capital in each period, in accordance with the country's overall planning and investment development plan.</p>	<p>administering the Scheme and establishing a dedicated investment promotion agency, Invest India, to attract foreign investment to the country. The Scheme has been renewed twice since its inception, with the government approving its continuation for 2017-2020 and again for an additional five years from 2021-2026, as of November 2021.</p>	<p>industrial and services sectors, small-and-medium enterprises (SMEs), fair competition, and inclusive growth to promote investment that enhances national competitiveness.</p> <p>2. Drive balanced and sustainable growth by promoting activities that are environmentally friendly, save energy, or use alternative energy.</p> <p>3. Create investment concentration by promoting clusters in accordance with regional potential and strengthening value chains.</p> <p>4. Develop the local economy in Southern Thailand by promoting investment in border provinces, supporting security efforts in the area</p> <p>5. Establish special economic zones, particularly in border areas, both inside and outside industrial estates, to create economic connectivity with neighboring countries and</p>	



Viet Nam <sup>38</sup>	India <sup>39</sup>	Thailand <sup>40</sup>	Malaysia <sup>41</sup>
		<p>prepare for entry into the ASEAN Economic Community (AEC).</p> <p>6. Enhance the competitiveness of Thai businesses and Thailand's role in the global economy by promoting Thai overseas investment.</p>	
Investment Entry and Establishment			
<ol style="list-style-type: none"> <li>1. The Law on Investment (LOI 2020) allows foreign investors to invest in any sector under the same conditions as domestic investors, as long as the sector or business activity is not prohibited or restricted.</li> <li>2. Vietnamese laws do not set any specific quotas on the number of foreign service providers, enterprises, or market players that can operate in a given sector.</li> <li>3. Foreign investors who engage in non-equity contract-based investments may need to fulfill registration requirements.</li> <li>4. The Law on Enterprises generally permits foreign investors to establish a commercial presence in</li> </ol>	<ol style="list-style-type: none"> <li>1. India prohibits foreign investment in certain sectors contained in a “negative list” (Prohibited Sectors) and restricts foreign participation through equity caps and/or other restrictions in certain others (Restricted Sectors).</li> <li>2. Foreign investors can generally hold any type of shares in a local entity and establish a commercial entity, such as a private limited company or a limited liability partnership, subject to the applicable FDI restrictions (if any).</li> <li>3. While there are no overarching minimum investment</li> </ol>	<ol style="list-style-type: none"> <li>1. Foreign investors can generally hold any type of shares in a Thai-incorporated company. There is no special requirement or restriction on the type of local entity a foreign investor may invest in or establish, subject to obtaining the necessary regulatory approvals.</li> <li>2. The amount of minimum investment requirement is determined by the type of investment.</li> <li>3. There are no overarching local sourcing requirements or local R&amp;D investments needed in order to establish business in Thailand.</li> </ol>	<ol style="list-style-type: none"> <li>1. Foreign investment is strictly prohibited in certain sectors and sub-sectors (Prohibited Sectors) and limited in certain others through “Equity Conditions” placing restrictions or equity caps on foreign participation.</li> <li>2. Foreign individuals and companies can generally hold any type of shares in a Malaysian incorporated company (for example, ordinary shares and preference shares).</li> <li>3. Foreign investors cannot set up a partnership in Malaysia unless they have permanent residency in Malaysia.</li> </ol>

Viet Nam <sup>38</sup>	India <sup>39</sup>	Thailand <sup>40</sup>	Malaysia <sup>41</sup>
<p>Vietnam through a liaison office, branch, representative office, or a company (including shareholding or limited liability company).</p> <p>5. There are no broad restrictions on the appointment of foreigners to the boards of local companies or key managerial positions, but sector-specific laws may impose some limitations.</p> <p>6. Although the Law on Investment explicitly states that investors cannot be compelled to source locally, certain sector laws may require local sourcing and a minimum proportion or percentage of local inputs.</p>	<p>requirements, in certain sectors minimum investment requirements for foreign investors exist.</p> <p>4. In certain regulated sectors restrictions may be imposed on the constitution of the board and appointment of foreign citizens to serve on the board or in key managerial positions.</p> <p>5. Work permits, or employment visas are granted to foreign nationals for technical and managerial jobs. Further, employment visas are not granted to citizens of Pakistan. Ministry of Home Affairs has published a handbook detailing the types of visas granted by India, as well as the process of obtaining employment visas.</p> <p>6. There are no overarching local sourcing obligations imposed on foreign investors.</p>	<p>4. An Investment Promotion Certificate (IPC) is issued by the BOI to an investor, whether Thai or foreign, who wishes to invest in Thailand.</p>	<p>4. There are generally no mandatory quantitative limits on the number of foreign service providers, enterprises or market players that can operate in a given sector, except for certain professional services sectors such as legal services.</p> <p>5. In certain specific sectors and sub-sectors minimum paid-up capital requirements are imposed on companies with foreign ownership.</p> <p>6. There is no overarching legal requirement that subjects foreign investors to local sourcing requirements in order to establish business in Malaysia.</p> <p>7. There is no overarching FDI license or approval requirement. However, since foreign investment regulation in Malaysia is sector specific, approval of sector-specific ministries, government agencies and/or regulators may be required.</p>
Investment Protection			

Viet Nam <sup>38</sup>	India <sup>39</sup>	Thailand <sup>40</sup>	Malaysia <sup>41</sup>
<p>Dispute Settlement: Foreign investors have the choice of using the following means of dispute settlement: (i) International Arbitration; (ii) Domestic Courts; (iii) Domestic Arbitration; (iv) Mediation.</p> <p>Profit Repatriation: Foreign investors must fulfil all financial obligations required under Vietnamese law prior to remittance.</p> <p>Exit Policy: Vietnam's exit policy allows foreign investors to transfer funds abroad when concluding their direct investment activities in the country. To be eligible for such a transfer, the Vietnamese company that received the investment must first fulfill its financial obligations to the State in accordance with Vietnamese regulations. Additionally, the company is required to submit audited financial statements and enterprise income tax declarations to the relevant Vietnamese tax authorities. It must also adhere to all obligations as stipulated by the Law on Tax Management. This policy ensures that investors can smoothly exit their</p>	<p>Dispute Settlement: A variety of dispute settlement options are available to foreign investors — including international arbitration, domestic courts and domestic arbitration, unless otherwise agreed upon in writing by the parties to an investment transaction. India is considering the enactment of a domestic law for protection of foreign investments in India with a robust and fast track dispute resolution mechanism to settle disputes between investors and the government.</p> <p>Profit Repatriation: Under FEMA regulations, foreign investors can freely transfer profits, capital gains, royalties, interest payments, and other investment-related funds, provided they comply with standard requirements and after accounting for applicable taxes. This applies unless the investment is non-repatriable. While current account transactions are fully liberalized, specific capital account transactions, such as acquiring and transferring immovable property in India, still necessitate government</p>	<p>Dispute Settlement: Foreign investors have access to international arbitration, domestic courts, and domestic arbitration. Thai arbitration law does not separate arbitration law regimes between domestic and international arbitrations. Therefore, both arbitrations seated in Thailand and those seated abroad are subject to the same act, which is the Arbitration Act B.E. 2545 (2002). Thailand has entered into international investment agreements that guarantee protection to foreign investments against certain government measures, including expropriation, which may unduly harm the investment. As such, these treaties generally afford some protection against expropriation of investments belonging to nationals and companies of the countries that are party to these treaties, although the scope differs.</p> <p>Profit Repatriation: Foreign investors face no specific requirements or restrictions when bringing funds into the country. Instead, Thai residents are subject</p>	<p>Dispute Settlement: A foreign investor in Malaysia can generally avail itself of dispute settlement through domestic courts, or domestic or international arbitration. In response to the COVID-19 pandemic, the Malaysian government introduced a new legislation to relieve the impact of the pandemic lockdown on certain categories of contracts.</p> <p>Profit Repatriation: There are minimal restrictions or approval requirements for the inflow of funds into Malaysia or the repatriation of proceeds from Malaysia, with the exception of applicable taxes and standard compliance procedures.</p>

Viet Nam <sup>38</sup>	India <sup>39</sup>	Thailand <sup>40</sup>	Malaysia <sup>41</sup>
investments while maintaining compliance with local regulations.	approval.	to reporting obligations under exchange control laws, while foreign investors are not. However, for outbound transfers, obtaining prior approval from the Bank of Thailand (BOT) is typically necessary, except when the transfer aligns with a "permissible" transaction as defined by the BOT.	

Table 8 Comparison with the International good Practices (Vietnam, India, Thailand, Malaysia)



## 7. Findings from the Primary Survey (KII and FGD)

**Institutional Capacity of BIDA:** BIDA has been proactive in its initiatives to attract foreign investment. They conduct roadshows, seminars, and pre-consultation stages to provide investors with information and promote the advantages of investing in Bangladesh. Furthermore, BIDA is developing an Investment Relationship Management Software, which will facilitate online communication between BIDA and investors, allowing for profile sharing, inquiry submission, matchmaking, and feedback. BIDA's after-care wing offers support for operational investments, and an online monitoring form within the OSS system helps keep investor information updated. However, there are no mandated services related to Aftercare that have been established, though a report published by JICA in 2022 has indicated that an Investment After Care Unit has been set up.<sup>42</sup>

BIDA has received positive feedback for its timely services and guidance related to OSS and its website. No issues have been reported in accessing OSS services. However, KII respondents have recommended capacity building initiatives to build on technical expertise. Moreover, to retain institutional knowledge, permanent technical staff should be appointed. Moreover, for the convenience of investors, BIDA's official website may include a detailed tutorial video for OSS usage. Concerns have been raised about insufficient manpower and an outdated website at BIDA, emphasizing the need for marketing strategies to enhance visibility and appeal to foreign investors.

Startup procedures and corporate forms are governed by the Companies Act (1994). Establishing a company typically follows a standard process, including name clearance, filing company documents (such as the name clearance certificate and memorandum/articles of association) for registration with the Registrar of Joint Stock Companies and Firms (RJSCF), registering with the National Board of Revenue (NBR) for corporate taxation (tax identification number) and VAT (VAT code), and obtaining permits from the Bangladesh Bank (BB). Additionally, the paid-up capital of the new company must be deposited in a local bank, and an encashment letter must be issued. Some of these licensing procedures are now available online, which has significantly reduced processing times. To further expedite the company establishment process (startup), the Government of Bangladesh enacted the OSS Act 2018. Despite recent online improvements, the length and costs associated with startup procedures continue to rank Bangladesh at 131st place on the "Starting a Business" indicator in the Doing Business 2018 report. Similarly, the country ranks 130th on the "Dealing with Construction Permits" indicator. Foreign investors have raised concerns about the unclear procedures and lengthy processing times for some licenses.

In terms of repatriation of money, while exiting is relatively straightforward, the process of repatriating funds can be time-consuming and requires approval from BIDA. Issues related to exit laws and tax avoidance have been cited as potential deterrents for foreign investors. BIDA is actively working to expedite commercial dispute resolution by proposing a dedicated commercial court, which is in its final stages of development. The existing tax avoidance process is recognized as requiring substantial time and is seen as a discouragement for foreign investors.

**Inter-agency Coordination:** Effective coordination among Investment Promotion Agencies (IPAs) poses challenges, particularly in the realm of issuing import licenses. Despite BIDA's recommendations to relevant stakeholders, there is a lack of adequate responsiveness. Unfortunately, BIDA faces limitations in terms of legal mandate and decision-making authority, impeding its ability to directly

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<sup>42</sup> JICA, "Project for Promoting Investment and Enhancing Industrial Competitiveness in the People's Republic of Bangladesh", Accessed November 9, 2023, <https://openjicareport.jica.go.jp/pdf/12336699.pdf>

assist foreign investors. Although the OSS Act mentions a monitoring committee chaired by the finance minister, meetings have yet to be convened. To enhance collaboration and provide investors with transparent information, BIDA is working towards establishing a unified window for improved IPA coordination. 40% of KII participants suggested that there is room for improving inter-agency coordination regarding the OSS. 15% of respondents said that a monitoring mechanism, preferably cross-institutional, needs to be set up to maintain the quality of services.

**One Stop Service (OSS):** Investors' interaction with the One-Stop Service (OSS) begins after securing land in an economic zone, initiating a streamlined process for investment. They can apply for investment clearance online, receive tax receipts, and obtain approvals for land use planning and building construction, all accessible online. Similarly, online procedures are available for machinery imports and the issuance of commercial operation certificates. Integration efforts with various departments, including the Environmental Department, Fire Department, and Surokkha, are underway, with some nearing completion. Key focal points within these departments play a pivotal role in assisting investors, and collaboration with ministries and agencies has led to the establishment of a Standard Operating System. Technical support from the Japan International Cooperation Agency (JICA) has been instrumental through consultancy services.

The adequacy of the current policy framework is emphasized, but there is room for improvement in service timelines, as the target of providing services within 7 days often falls short. Consistency in policies is stressed to avoid creating a negative impact on foreign investors. Despite challenges, the OSS initiative is praised for providing legal compliances through a single window, and the Bangladesh Economic Zones Authority (BEZA) has been acknowledged for addressing issues within the banking system.

**Challenges Faced by Investors:** Stakeholders in Bangladesh have identified several challenges affecting the business environment in the country. One significant issue is the complexity of the Companies Act of 1994, which has posed difficulties for both local and foreign investors. It is suggested that this act should be replaced with a more modern framework to facilitate business operations, similar to the Indian Companies Act. Additionally, mismatches in financial years between Bangladesh and India have led to confusion for Indian companies with subsidiaries in Bangladesh regarding double taxation avoidance agreements. Outdated government websites have been a concern, affecting foreign investors' perception of Bangladesh and hindering effective client interactions. Stakeholders emphasize the need for more engagement with legal professionals in Bangladesh to promote foreign direct investment. Concerns also arise from political instability, trust issues, government administrative challenges, frequent policy changes, uncooperative junior government officials, lack of business security, and bureaucratic hurdles. Land availability, security concerns, and complex interdependencies among government organizations further contribute to the challenges faced by investors in Bangladesh.

**International Best Practices:** In the context of enhancing Bangladesh's investment climate and attractiveness to foreign investors, stakeholders have put forth a series of valuable recommendations. First and foremost, investors propose that Bangladesh consider aligning its legal framework with the Indian Companies Act, a move aimed at simplifying business operations and regulations. This alignment is expected to reduce complexities and improve the ease of conducting business for both domestic and foreign investors. The successful implementation of the Goods and Services Tax (GST) in India, conducted entirely online, serves as a noteworthy example. It underscores the potential advantages of digitizing government processes, particularly in tax-related matters, offering opportunities to streamline operations in Bangladesh.



Drawing insights from China, stakeholders highlight the proactive role played by the Chinese government in supporting business operations, particularly in relation to machinery imports. They contend that similar governmental support in Bangladesh, especially concerning machinery imports, could substantially enhance the overall investment environment. Additionally, stakeholders suggest considering Malaysia's practice of accommodating foreigners by allowing them to engage in activities outside of local cultural norms. This approach could significantly enhance the experience for foreign investors and professionals working in Bangladesh, contributing to a more welcoming and inclusive business environment.

Despite economic challenges, Sri Lanka has effectively addressed certain issues through its economic strategies. Stakeholders recommend studying and learning from Sri Lanka's experiences to better understand how to tackle challenges and create opportunities within Bangladesh's economic landscape. Lastly, stakeholders underscore the importance of compiling a comprehensive list of incentives offered by other nations to gain insights into international competitive advantages. This knowledge can guide Bangladesh in tailoring its incentive offerings strategically, thus making the country a more compelling destination for foreign investors.

**Changes in Policies:** Bangladesh has made efforts to strengthen IP rights protection over the years, but it still faces some challenges. The country is a member of the World Trade Organization (WTO) and has implemented various international agreements related to IP rights, such as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). These agreements require member countries, including Bangladesh, to provide a minimum level of protection for IP rights. While the legal framework for IP rights protection exists, effective enforcement remains a challenge due to factors like limited resources and capacity. 15% respondents believe a robust legal framework for IPR will attract foreign companies and investors after LDC graduation in 2026.

As per several respondents, Bangladesh needs to consider the fact that it will lose special treatment after LDC graduation in 2026. Therefore, to retain investment and trade, it is imperative the government considers signing free trade agreements, preferential trade agreements, or regional treaties/agreements. Signing agreements will benefit Bangladesh especially in the case of technology transfer, investments, and transfer of knowledge. Respondents have specifically suggested signing an FTA with Viet Nam to benefit from knowledge transfer. Moreover, KII respondents have expressed that Bangladesh should sign more Double Taxation Treaties and follow Viet Nam as an example in this regard as Viet Nam has signed over 80 DTTs and Bangladesh has signed only 40 till date. Similar views have been reflected in FGD findings.

**Tax Incentives (NBR's Perspective):** As indicated in a KII with an officer from the National Board of Revenue (NBR), the NBR is key in promoting investments through tax policies, essential for sector growth and consumer welfare. Currently, the NBR is revising tax exemptions to increase revenue and efficiency. This includes setting strict guidelines for tax breaks and streamlining exemptions, particularly in value-added tax and import duties, to prevent misuse and support local industries. Moreover, he stated that the tariff system is quite well-structured with varying tax rates for different goods: under 5% for raw materials, 5-15% for intermediate goods, and 15-25% for finished products.

**Trade Diversification Prospects:** In assessing Bangladesh's economic landscape, several noteworthy investment prospects have come to light. Firstly, there is substantial untapped potential within the chemical industry, characterized by its relatively lower capital requirements, making it an appealing avenue for diversification and expansion. A strategic move forward involves exploring opportunities for backward integration with existing pharmaceutical companies, which has the potential to stimulate substantial growth within the chemical sector. Additionally, there are compelling opportunities within

the IT sphere, spanning software, hardware, mobile assembly, cables, and telecommunications sectors. Lastly, the freelance sector, which plays a pivotal role in contributing to remittances, should be subject to effective government monitoring. This monitoring, underpinned by meticulous regulation, is crucial to ensuring the sector's sustainability and its positive impact on Bangladesh's economy.

**Customs Clearance Concerns:** KII findings have shed light on the prolonged clearance time for imports as a major issue. One respondent briefly mentioned how a study done by the World Customs Organization revealed that while customs procedures take up a minor portion of the time, the pre-declaration stage, mainly the Bill of Entry submission, constitutes the bulk of the delay.

## 8. Recommendations/ Way Forward

### Improvement of Investment Climate

- **Increasing Manpower and Capacity Building Programs:** Concerns were raised about insufficient manpower to operate within BIDA, which may be addressed through recruitment of permanent employees who are not subjected to frequent transfers.
- **Capacity Building and Training:** BIDA can conduct a few capacity building and training sessions on investment promotion activities, methods, and proactive service delivery which will be applicable for all officers working at IPAs.
- **Policy Advocacy:** Policy advocacy is considered one of the vital functions that BIDA is expected to fulfill. This involves the formulation of investment policies and the facilitation of regulatory reforms to benefit investors. Among government institutions, BIDA is uniquely positioned to take the lead in policy advocacy. This role extends beyond merely participating in policy dialogues between the public and private sectors. In this regard, BIDA can establish regular channels of communication with investors to gather their feedback and demands concerning government policies and regulations related to investments. Subsequently, BIDA can identify commonly observed issues and propose policies or measures to address these challenges. They can then submit these proposals to the relevant authorities responsible for policy and regulatory reforms.
- **Streamlined Administrative Processes:** To fully realize the benefits of incentives, there is emphasis on streamlining administrative processes responsible for delivering these benefits. Investors should be handled on a case-by-case basis to ensure they are briefed adequately. Simplifying and expediting these procedures can encourage more investors to choose Bangladesh as their investment destination. In addition, BIDA may update its existing handbook/ guidebook to document streamlined procedures.
- **Dispute resolution:** Foreign investors in Bangladesh favor arbitration over litigation for dispute resolution due to judicial delays. The FPIPPA 1980 ensures fair treatment but lacks specific investor-state dispute provisions. Investors often use the Arbitration Act of 2001 and 2004, ICSID, and the New York Convention for disputes. The Bangladesh International Arbitration Centre (BIAC) handles commercial disputes locally. To enhance protection, explicit dispute resolution clauses in the FPIPPA and the BIDA Act are needed, including a grievance redress system within the OSS framework and a provision for High Court or commercial tribunal jurisdiction over BIDA-related grievances.
- **Separate Cell or Court for Dispute Resolution:** The High Court may establish a dedicated court or cell solely responsible for dealing with foreign investments related disputes. This would speed up the process and encourage investors to continue business in Bangladesh.
- **Exit Policy:** An investor has the option to terminate their investment through a resolution passed at either an annual or special general meeting. After fulfilling the necessary exit procedures in Bangladesh, a foreign investor is permitted to transfer the net proceeds out of the country, provided they have obtained the requisite authorization Bangladesh Bank. While the Exit Policy is relatively smooth, the process becomes complicated due to the process of outward remittance.
- **Cross-Institutional Monitoring:** The government is urged to employ cross-institutional monitoring systems to oversee and prevent procedural hindrances. BIDA may conduct or oversee the process of monitoring in this regard.
- **Improving Inter-Agency Coordination:** To address challenges in sectors like IT, software, hardware, and telecommunications, stakeholders recommend improving coordination among government organizations. Reducing interdependencies and fostering a culture of timely service delivery can enhance the investment climate.

- **Promote women's participation:** Advocate for increased participation in foreign investment through gender-inclusive policies, regulations, and initiatives such as SheTrades.
- **International Best Practices:** Several countries in the region provide valuable insights for enhancing Bangladesh's investment climate. For instance, Malaysia's practice of accommodating foreigners by allowing them to enjoy recreational activities outside local cultural norms could contribute to a more welcoming environment for foreign investors and professionals in Bangladesh. Additionally, Thailand and Vietnam have undertaken policy reforms to create investor-friendly business climates, actively promoting their strongest sectors to attract investments. Vietnam's extensive network of double taxation treaties (DTTs) with around 80 countries compared to Bangladesh's 40 underscores the need for Bangladesh to expand its DTT coverage. Furthermore, revising tax and value-added tax (VAT) policies, following the example of countries like India, Vietnam, and Thailand, by offering lower corporate taxes and VAT exemptions in economic zones, could significantly boost both local and foreign investments in Bangladesh. These insights from neighboring countries provide valuable guidance for Bangladesh's efforts to attract and retain foreign investment.

#### Post LDC Measures:

- **Free Trade Agreement or Preferential Trade Agreements:** Bilateral agreements with other countries can lead to tariff relaxation, reducing the cost of doing business for both parties.
- **Intellectual Property Rights:** Intellectual Property Rights (IPR) enforcement has a flexible framework, but foreign investors need to be aware of these facilities, particularly in the Hi-Tech industries. Policy reforms and addressing IPR issues may attract multinational corporations.
- **Diplomatic Channels:** Build strategic alliances with countries such as Vietnam and use consulates, embassies, and missions to promote investment and international business understanding (knowledge and technology transfer).
- **Exploring Diversification Opportunities:** There is potential for diversification, especially in industries like chemicals and IT. Recommendations include promoting backward integration with existing industries and addressing specific sectoral barriers.
- **Establish Backward Linkages:** Bangladesh can still process other materials locally, functioning as a substitute for imports. This strategy eliminates the need to import raw materials, subsequently reducing lead times and costs. By manufacturing products locally, it ensures diversification within the domestic market. Additionally, other countries might also find value in these backward linkage products, leading to an expansion of Bangladesh's export portfolio. Bangladesh might have limited natural resources, the country.
- **Technology transfer:** To diversify its industries, Bangladesh needs to focus on industrial diversification and attract Foreign Direct Investment (FDI) for technology transfer. Learning from Thailand and Vietnam's approaches to technology transfer in foreign investments can guide Bangladesh. Establishing a dedicated division within Investment Promotion Agencies for this purpose is also recommended.

## 8.1 Recommendations on the Act <sup>43</sup>

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
Section: Short title and Introduction 1	1) This Act shall be known as the Bangladesh Investment Development Authority Act, 2016. 2) This Act shall come into force on such date as the Government may, by notification in the Official Gazette, specify.	N/A	N/A	N/A
Section 2: Definition- Unless there is anything contrary to the subject or context, in this Act—	1) “permit” means a permit granted under sub-section (3) of section 15 in respect of setting up any industry in the private sector; 2) “approved industry” means any industry approved in the private sector under sub-section (3) of section 15; 3) “Authority” means the Bangladesh Investment Development Authority established under section 4; 4) “Chairman” means the Chairman of the Governing Board; 5) “Executive Chairman” means the Chairman of the Executive Council; 6) “Executive Council” means the Executive Council constituted under section 9; 7) “executive member” means a member of the Executive Council; 8) “rules” means rules made under this Act; 9) “regulations” means regulations made under this Act; 10) rules mean rules made under this Act; 11) “person” shall include any citizen of Bangladesh, any foreign citizen, association, association, partnership and company; 12) “private sector” means any such industrial or commercial sector established by the Government or declared to be reserved for the Government; 13) “Member” means any member of the Governing Board; 14) “Secretary” means the Secretary of the Finance Authority; and 15) “Government industry or commercial establishment” means—	N/A	N/A	N/A

<sup>43</sup> The Act has been translated to English for the purpose of the report. English version of the Act was not made available by BIDA.

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
	a) any industrial or commercial establishment owned or controlled by the Government or any corporation, trust, board, company established, established, managed or formed thereby; or b) any other type of institution which the Government is entitled to transfer; and c) the industrial or commercial establishment mentioned in clause (Ka) and any other right including any part, ownership, interest or right of management or management of the Government or such establishment in the establishment mentioned in clause (b).			
Section 3: Precedence of law	Notwithstanding anything contained in any other law for the time being in force, the provisions of this Act shall prevail.	N/A	N/A	N/A
Section 4: Establishment of Authority	1) As soon as this Act comes into force, there shall be established an authority to be called the (Bangladesh Investment Development Authority (BIDA)). 2) The Authority shall be a statutory body and shall have permanent continuance and a common seal and shall have power to acquire, hold and transfer property, both movable and immovable, and shall be able to institute suits in its own name and be sued against it.	N/A	N/A	N/A
Section 5: Office of the Authority	The head office of the Authority shall be at Dhaka and the Authority may, if necessary, with the prior approval of the Government, set up its branch office at any place.	N/A	N/A	N/A
Section 6: Governing Board	1) The Governing Board shall consist of the following members, namely: — a) the Prime Minister, who shall also be its Chairman; b) the Minister in charge of the Ministry of Finance, who shall also be its Vice-Chairman; c) the Minister in charge of the Ministry of Industry; d) the Minister in charge of the Ministry of Power, Energy and Mineral Resources;	N/A	N/A	The Act may incorporate provisions for including more representatives from the private sector and individuals with research backgrounds

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
	<ul style="list-style-type: none"> <li>e) the Minister in charge of the Ministry of Commerce;</li> <li>f) the Minister in charge of the Ministry of Textiles and Jute;</li> <li>g) the Minister in charge of the Ministry of Planning;</li> <li>h) the Minister in charge of the Ministry of Agriculture;</li> <li>i) the Minister in charge of the Ministry of Housing and Public Works;</li> <li>j) Executive Chairman;</li> <li>k) the Governor, Bangladesh Bank;</li> <li>l) Secretary, Ministry of Home Affairs;</li> <li>m) Secretary, Department of Internal Resources;</li> <li>n) Chairman, Bangladesh Securities and Exchange Commission;</li> <li>o) President, Federation of Bangladesh Chambers of Commerce and Industries; and</li> <li>p) 2 (two) representatives of the Specialized Chamber nominated by the Government, out of which 1 (one) shall be a woman.</li> </ul> <p>2) The Executive Chairman shall serve as the member-secretary of the Governing Board.</p> <p>3) The Governing Board may co-opt any person as a member if necessary.</p> <p>4) The Governing Board may invite to its meetings any person who is capable of making a special contribution to any matter under discussion.</p> <p>5) No proceedings of the Board shall be invalid due to vacancy of any member of the Governing Board and any defect in the constitution of the Board and no appeal shall be raised in this regard.</p>			on the Governing Board to ensure a comprehensive approach.
Section 7: Meetings of Governing Board	<ul style="list-style-type: none"> <li>1) Subject to the other provisions of this section, the Governing Board shall determine the procedure for its meetings.</li> <li>2) All meetings of the Governing Board shall, with the consent of the Chairman, be convened by its Member-Secretary.</li> </ul>	There is an internal rule that stipulates the minimum frequency of necessary meetings.	N/A	N/A



Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
	3) The Chairman shall preside at all meetings of the Governing Board and in his absence the Vice-Chairman of the Governing Board and in their absence any member nominated by the Chairman shall preside at the meeting. 4) The quorum of a meeting of the Governing Board shall require the presence of a majority of its total members. 5) Every member present at a meeting of the Governing Board shall have one vote and in the event of an equality of votes the person presiding shall have the right to cast a second or casting vote. 6) Any person presents by special invitation to assist in decision-making at the Governing Board meeting may express his opinion at the meeting; But he will not have the right to vote.			
Section 8: Functions of the Authority	The functions of the Authority shall be as follows, namely: 1) To provide all facilities for the investment of domestic and foreign capital for the purpose of rapid industrialization in the private sector; 2) implementation of government policies on capital investment in private sector industries; 3) formulation of private sector industrial investment schedule and provision of special facilities for said sector; 4) formulation of area-schedule for establishment of industries in the private sector and determination of special facilities for such areas; 5) Approval and registration of industrial projects involving domestic and foreign capital in the private sector; 6) Identification of industrial investment sectors and opportunities in the private sector and measures to promote them widely in the country and abroad; 7) Develop and implement specific strategies to promote industrial investment in the private sector;	N/A	N/A	The Act may include inter-agency cooperation as one of the functions with a view to resolving issues arising from the investors.  The Act may also include the provision of a database on market and industries can be built to serve planning trade promotion policies and support the improvement of trade promotion capacity for organizations and

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
	<p>8) creation of infrastructure facilities for industry in the private sector;</p> <p>9) determining the conditions for the appointment of foreign officials, experts and employees necessary for private sector industries;</p> <p>10) formulation and implementation of policies for transfer of technology to the private sector and phased local production;</p> <p>11) taking necessary measures regarding industrial-investment-capital formation in the private sector;</p> <p>12) collection, compilation, analysis, distribution and establishment of databases for all industrial data;</p> <p>13) Government industrial or commercial establishments and their unused land or premises for use in more useful economic activities—</p> <p>a) identifying and taking appropriate measures in the manner prescribed by rules for the purpose of transfer or allotment;</p> <p>b) allotment and transfer of partial or full shares to domestic and foreign investors;</p> <p>c) assessment in the manner prescribed by rules for the purpose of making transfer or allotment and taking necessary action in this behalf;</p> <p>d) Advise the Government by conducting necessary surveys to make the policies related to transfer or allocation and investment more efficient and effective;</p> <p>e) regularly inform the Government of the results obtained by evaluating the success of the implementation of the policies relating to devolution or allocation;</p> <p>f) take any legal or administrative measures to remove any impediments to transfer or allotment;</p> <p>g) Advising concerned ministries or departments of the government to take necessary action to facilitate transfer or allotment.</p>			businesses; support providing market and industry information to agencies, businesses, and domestic and international trade promotion organizations.

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
	<p>14) Assessing, monitoring and reviewing the progress of the work of the transferred or allotted government industries or commercial institutions and regularly informing the government;</p> <p>15) conducting research on the need, utility and benefits of investment and informing the public about the same; and</p> <p>16) Other activities prescribed by the Government from time to time.</p>			
Section 9: Constitution of Executive Council and its functions.	<p>1) The Authority shall have an Executive Council, Which will consist of an executive chairman and not more than 6 (six) executive members.</p> <p>2) The rank, tenure and terms of service of the Executive Chairman shall be determined by the Government.</p> <p>3) The Executive Chairman shall be the Chief Executive Officer of the Authority.</p> <p>4) Executive members from among the officers of Additional Secretary to the Government or above Will be assigned to the mission.</p> <p>5) Executive Council—</p> <p>a) Will provide advice and assistance to the Authority for the smooth performance of its functions;</p> <p>b) Will be responsible and accountable for the implementation of all decisions of the Governing Board; and</p> <p>c) exercise all powers and duties assigned by the Governing Board;</p> <p>6) If the post of Executive Chairman becomes vacant or due to absence, sickness or any other reason if he is unable to discharge his duties, as the case may be, a new Executive Chairman is appointed in the vacant post.</p> <p>Until he assumes office or the Executive Chairman is unable to perform his duties again, the senior most member of the Executive Council will serve as the Executive Chairman.</p>	N/A	N/A	N/A

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
Section 10: Meeting of the Executive Council	1) Subject to the other provisions of this section, the Executive Council shall determine the meeting procedure. 2) All meetings of the Executive Council shall be convened by the Secretary at the direction of the Executive Chairman. 3) The Executive Chairman shall preside at all meetings of the Executive Council and in his absence, the senior most member of the Executive Council will preside over the meeting. 4) A majority of the members of the total number of members for a quorum of a meeting of the Executive Council Attendance will be required. 5) Every member present at the meeting of the Executive Council shall have one vote and in the event of an equality of votes the person presiding shall have the right to cast a second or casting vote. 6) The Executive Council is capable of making special contributions on any matter discussed in its meetings. Any person may be invited but shall not have the right to vote.	N/A	N/A	N/A
Section 11: Secretary	1) The Authority shall have a Secretary, who shall be Additional Secretary to the Government or He will be appointed from among the officers of higher rank. 2) Secretary— <ol style="list-style-type: none"> <li>Convening a meeting of the Executive Council subject to the permission of the Executive Chairman Issue notice;</li> <li>record and preserve the minutes of the meetings of the Executive Council;</li> <li>Arrangements for keeping accounts, preparing accounts and auditing accounts of the authority.</li> <li>formulate the budget of the Authority and present it for approval; And</li> <li>Perform other duties assigned or specified by the Executive Chairman.</li> </ol>	N/A	N/A	N/A

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
Section 12: Other officers, employees etc. of the Authority	<ol style="list-style-type: none"> <li>1) Authorized by the Government Subject to the organizational structure, authority is necessary for the proper discharge of its duties and responsibilities a number of officers and employees can be appointed.</li> <li>2) The appointment and conditions of service of the officers and employees of the Authority shall be prescribed by regulations.</li> </ol>	N/A	N/A	N/A
Section 13: Committee	<ol style="list-style-type: none"> <li>1) One or more Committees can be formed to assist the Authority in the discharge of its duties.</li> <li>2) The number of members of the committee and its duties and procedures shall be determined by the authority.</li> </ol>	N/A	N/A	N/A
Section 14: Registration and permission	<ol style="list-style-type: none"> <li>1) All unregistered industries established in the private sector, except for the ones under any authority or body established by law, must be registered in the prescribed manner as per regulation. However, it is provided that, until regulations are made, the Authority may, for the purposes of this sub-section, issue necessary orders.</li> <li>2) Establishment of local (Bangladesh) branches, liaison, and representative offices of private commercial companies registered abroad requires permission to be obtained in the manner prescribed by the authority. Any industry registered or permitted under this section in connection with its application all facilities prescribed by existing laws shall be available.</li> </ol>	N/A	N/A	<p>The Act may specify the OSS Act 2018 here since the registrations and permissions are sought using the one-stop service platform.</p> <p>The Act and FIPPA do not explicitly define the acceptable forms of foreign investment. In contrast, Vietnam's Investment Law provides a clear enumeration of permissible investment forms. Therefore, it is advisable to include a</p>

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
				similar provision in the FPIPPA.
Section 15: Approval of industrial projects in the private sector, etc	<ol style="list-style-type: none"> <li>1) Any established by law Establishment of industries in the private sector other than industries or commercial establishments under authority or organization. Every aspirant shall seek approval from the authorities for his proposed industrial project. Application should be made in the prescribed manner.</li> <li>2) The authority to facilitate consideration of an application received under sub-section (1) to the applicant may provide instructions for supply of necessary information and proposed industrial project-related any other institution or person concerned may take advice.</li> <li>3) If the application received under sub-section (1) is considered admissible, the Authority approve the scheme and issue an approval letter to the applicant and said the approval letter specifies the time frame for implementation of the project and commencement of production therein.</li> <li>4) In approving any industrial project under sub-section (3), the Authority shall thoroughly address all matters necessary for its execution. Specifically, the Authority will provide a clear decision on all relevant aspects within the scope of the matter. The concerned person or authority is then responsible for transmitting this decision, namely:— <ol style="list-style-type: none"> <li>(a) Foreign Debt, Supplier Debt (Supplier's Credit) and Deferred Debt, Amounts and Terms;</li> </ol> </li> </ol>	N/A	If the project has been granted as admissible, the Authority shall write the investment incentives, bases, and conditions for provision of investment incentives on the approval letter or advise concerned departments of the governments (in cases of Ezs, EPZs, Hi-tech parks) to write the investment incentives, bases, and conditions for investment incentives which	<p>Under (9) of Section 15, the Act may add that jurisdiction for approved industrial schemes which will follow the Companies Act, 1994 (Act No.18 of 1994) and other amendments to follow as a recent amendment was passed in 2020.</p> <p>The updated Companies Act may be cross-referenced here by incorporating a new provision for 'Power of Attorney' under either Section 14 or Section 15, as deemed appropriate<sup>44</sup>.</p>

<sup>44</sup> The Companies (2nd Amendment) Act, 2020 brought about revisions to the existing Companies Act, 1994, incorporating provisions for the establishment of one-person companies (OPC), wherein only one natural shareholder is required. Notable changes within the amended law, spanning sections 2 to 15 as per the 1st Amendment, reveal two key points upon examination. Firstly, the mandatory use of a common seal, official seal, or common seal has been abolished in the Companies Act. Secondly, the Company is now empowered to appoint, through written authorization, any individual within or outside Bangladesh to act as its attorney, granting them the authority to execute documents on behalf of the company.

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
	<p>(b) Land allocation in industrial areas owned or controlled by the government or any local authority, except for industrial or commercial entities under any authority or body established by the law;</p> <p>(c) Time limit for the provision of electricity, gas, and water connections;</p> <p>(d) Time limit for providing sewerage connection;</p> <p>(e) time limits for establishing all types of telecommunications;</p> <p>(f) Clearance by customs authorities in respect of imported machinery, parts, and raw materials time limit.</p> <p>(g) Time limit for issuance of environmental pollution clearance; and</p> <p>(h) Other facilities necessary for expediting industrial establishment.</p> <p>5) Every decision passed by the authority under sub-section (4) is official or law. It shall be considered as the decision of the concerned person or authority empowered to give decision accordingly and it will be implemented accordingly.</p> <p>6) If any decision is sent to any person or authority under sub-section (4), the said the person or authority shall take appropriate steps within the specified time to implement the said decision.</p> <p>7) The individual or authority in question must, within the period specified by the authority under sub-section (6), undertake the necessary actions. In the event of failure or inability of the authorities to take appropriate action, the matter may prompt the issuance of suitable directives to enforce the previously determined decision after a thorough review. The specified person or authority is then obligated to carry out the required actions as per the provided instructions.</p> <p>8) Without the prior permission of the Authority under sub-section (4), no individual shall provide for any use of the facility for a purpose other than the associated industrial project, or alter the type of permitted industry, or change ownership.</p>		will be mentioned on the approval letter.	



Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
	<p>9) Approved Industrial Schemes fall under the jurisdiction of the Companies Act, 1994 (Act No. 18 of 1994). In the case of a registered company, the issuance of capital and the issuing of shares are regulated processes. The Authority, facilitated through the Bangladesh Securities and Exchange Commission, oversees all relevant matters. The government holds the authority to exercise its powers and fulfill its duties in these regards.</p> <p>10) For the timely implementation of any industrial project, as stipulated in its approval letter, and to address any challenges hindering the commencement of production, the entrepreneur has the option to apply to the authority. Upon receiving such an application, the authority will offer suitable assistance to address the identified difficulties and facilitate the project's progress.</p> <p>11) The authority may, at various intervals, request the project entrepreneur for updates regarding the implementation of approved industrial projects and may seek the necessary information to ensure effective oversight and progress tracking.</p>			
Section 16: One Stop Service	<p>1) To meet the requirements of authorized industrial establishments, an inter-ministerial one-stop service center will be established to ensure the prompt delivery of infrastructure services as needed.</p> <p>2) The Government, through a notification in the Official Gazette, may designate the formation of the One Stop Service Assurance Committee.</p> <p>3) The One Stop Service Assurance Committee will promptly confirm the provision of immediate services as required.</p>	N/A	The Act may include a provision for a minimum frequency of meetings for the One Stop Service Assurance Committee which should be picked from the OSS Act 2018.	The Act may specify inter-agency cooperation since for the efficient functioning of OSS, creation of a framework for inter-agency collaboration is crucial. The inter-agency cooperation should include a monitoring committee to oversee the implementation of

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
				<p>services being offered to investors.</p> <p>SANEM conducted a policy review of the Foreign Private Investment Promotion and Protection Act 1980 where they discussed the methods of dispute resolution, but the FPIPPA doesn't have any provision for investor – state dispute. Since dispute resolution is a part of FPIPPA, grievance redress system (GRS) in this Act may be added through which investors may get remedies.</p>
Section 17: Determination of import rights	<p>1) In the process of determining import rights, if an approved industrial establishment needs to import machinery, parts, raw materials, and packaging materials, the concerned establishment must apply to the authority. The application should adhere to the manner and form prescribed by the rules.</p> <p>2) Upon reviewing the application received under sub-section (1), the authority will issue the required permit for the importation of</p>	N/A	N/A	The Act may include a separate section for incentives. One of the many incentives offered to investors is an exemption or reduction of import

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
	the specified plant, parts, raw materials, and packaging materials, by the criteria determined by the authority.			tax on goods imported the government provides, however, the provision of import taxes falls under NBR.
Section 18: Royalty And Fee	If an approved industrial organization is obligated to pay a royalty fee, technical knowledge, technical assistance fee, or franchise fee to a foreign person or organization, that industrial organization must, in the manner specified by the authority, apply to the authority for the determination of the applicable royalty or fee. Subsequently, the concerned industrial organization is required to remit the determined royalty or fee as per the authority's directives.	N/A	N/A	The Act may include a separate section with the same procedure of section 18 for granting permission to take out or remit abroad money in foreign currency if the approved industrial organization represents (1) an investment capital which the promoted person brought into Bangladesh and dividends or other returns on such capital; (2) a foreign loan under a contract approved by the Authority which the

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
				<p>approved organization brought in to invest in the promoted activity, including the interest thereon.<sup>45</sup></p> <p>The Act may mention that Foreign Exchange Regulation Act 1947 will be followed here.</p>
Section 19: Approval Cancellation	If any approved industry breaches any provision of this Act or the rules established under it or fails to comply with any condition outlined in the approval, the authority reserves the right to revoke its approval. The cancellation will be carried out following the procedures prescribed by the rules.	N/A	The Act may add <i>'In the case where the Board is of the opinion that any activity announced to be eligible for promotion no longer requires to be promoted, it may announce a temporary or permanent cancellation of</i>	N/A

<sup>45</sup> In the context of this report, it's important to note that profit repatriation/ outward remittance in countries such as Vietnam, India, Thailand, and Malaysia is governed by country-specific regulations that aim to ensure compliance with standard requirements while keeping restrictions to a minimum. Section 6 of the report conducts a cross-country analysis of investment protection mechanisms across these countries.

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
			<i>promotion for that activity'</i>	
Section 20: Inspection, inspection, inquiry, investigation, industrial reform etc.	<p>1) For this Act, the Government, authority, or any person or institution appointed by it shall—</p> <p>a. The authority is empowered to inspect the progress of the sanctioned industrial project's implementation and submit the inspection report to the authorities or the government; And</p> <p>b. The authority is authorized to enter and inspect any government industrial or commercial establishment, and conduct inquiries or investigations therein, and the relevant institutions associated with such entry, inspection, search, or investigation shall provide all necessary facilities.</p> <p>2) Through conducting an inspection, search, or investigation under clause (b) of sub-section (1) or analyzing information obtained by other means, the authorities may implement reforms in the institution for the public interest. If deemed necessary, appropriate measures can be taken, and for this purpose, the concerned institution can receive specific instructions.</p>	N/A	N/A	N/A
Section 21: Declaration of industrial area or change of name of existing industrial area or establishment.	The government, for the fulfillment of the objectives of this Act, can declare, through a notification in the Official Gazette, one or more areas mentioned therein as an industrial area, or alter the name of an existing industrial area or establishment.	N/A	The Act may add the provision of classifying the type of industrial area since three distinct authorities are responsible for economic zones, export processing	N/A

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
			cones and hi-tech parks.	
Section 22: The acquisition of land for industrial areas is governed by Section 21	<ol style="list-style-type: none"> <li>Any land located in an industrial area, as declared under this section, shall be considered necessary for an approved industrial project if it serves the public interest. To fulfill this necessity, the land shall be acquired in accordance with the provisions outlined in the Acquisition and Requisition of Immovable Property Ordinance, 1982 (Ordinance No. II of 1982).</li> <li>The land acquired under sub-section (1) shall not be utilized for any purpose other than the intended purpose for which it was acquired, except with the permission of the Authority.</li> <li>Land acquisition shall not be necessary in cases where the establishment of such industrial areas primarily involves the utilization of government industrial establishments. The identification of such areas shall be carried out by the authority, taking into consideration the input of the relevant ministry or department responsible for industrialization. The allocation of land for these purposes shall be approved by the Cabinet Committee on Economic Affairs.</li> </ol>	N/A	N/A	The Act may, in sub-section of section 22, contain that the land which is acquired following the provisions of the Acquisition and Requisition of Immovable Property Act, 2017 (Act XXI of 2017) for an industrial area or for a requiring approved organization shall be offered to the approved organization under a lease agreement characterizing it as a lease in perpetuity.
Section 23: The process of utilization of government industrial or commercial establishments and their unused land or	<ol style="list-style-type: none"> <li>The Government shall, through a notification in the Government Gazette, develop policies to encourage investment in the country, foster the establishment of industries in the private sector, and optimize the utilization of Government industries or commercial establishments, along with their unused land or premises, for more advantageous economic activities.</li> <li>Under the policy, the authority shall identify public industries or commercial establishments eligible for allocation in more suitable economic activities. Any public industries or commercial</li> </ol>	N/A	N/A	N/A

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
premises for more useful economic activities -	<p>establishments listed by the Government under sub-section (2), along with their unused machinery, land, or buildings whose estimated value is communicated to the asset-liability authority under sub-section (3), shall prompt the authority to take requisite measures for their transfer or allocation.</p> <p>3) Both domestic and foreign investors with an interest in the matter can secure allotment for the management and operation of government industrial and commercial institutions through a partnership arrangement. Additionally, they have the option to lease unused land for specified purposes.</p> <p>4) The shares of any government industrial or commercial establishment shall be transferred following the provisions of the Articles of Association of the concerned establishment and the Companies Act.</p> <p>5) Irrespective of the other provisions in this section, if the transfer price of any government industry or commercial establishment, inclusive of long-term debt payable by the transferee (if any), surpasses Taka 100 (one hundred) crores, the transfer decision authority is empowered to conclude the transfer. However, if the transfer price exceeds 100 (one hundred) crores, the approval of the Cabinet Committee on Economic Affairs must be sought before finalizing the transfer decision.</p> <p>6) In case of transfer of shares in any government industry or commercial establishment, the concerned shares shall be transferred by direct tender or through stock exchange.</p> <p>7) When consenting to the transfer or allotment for the management and operation of any government industry or commercial institution, the government shall ensure that the officers, employees, and workers of the concerned organization or institution are not deprived of their rightful dues. In doing so, the</p>			



Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
	government will adhere to the existing laws and other relevant policies as necessary.			
Section 24: Deed of transfer or assignment	1) Any government industrial or commercial establishment and its unused land or premises intended for more suitable economic activities shall be transferred to the Bangladesh Export Processing Zone Authority, Bangladesh Economic Zone Authority, or any other relevant authority or organization engaged in economic activities, or to domestic or foreign investors. Upon reaching the final stage of the allotment process, the concerned authority will finalize the necessary agreement with the transferee or allottee. 2) The Authority may take necessary steps or proceedings to enforce the agreement executed under sub-section (1). 3) Actions or activities undertaken under sub-section (1) and (2) shall be considered as actions or activities taken by the Government.	N/A	N/A	N/A
Section 25: Earned Money	1) Any government industrial or commercial establishment and its unused land or premises, designated for more suitable economic activities, shall be transferred to the Bangladesh Export Processing Zone Authority or the Bangladesh Economic Zone Authority. Alternatively, funds obtained through allotment to domestic or foreign investors shall be deposited in any Scheduled Bank as a separate account of the Authority. 2) From the money earned as mentioned in sub-section (1), the preceding liabilities of the concerned industry or institution shall be settled per existing laws, and the remaining amount shall be deposited into the Consolidated Fund of the Republic.	N/A	N/A	N/A
Section 26: Extradition of transfer due to failure to	If the allottee of a government industrial or commercial institution fails to operate the institution, the said institution shall transfer all utility bills, along with possession, to the government. In the event of any loss or damage to the assets of the institution, the government	N/A	N/A	N/A

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
manage the institution	shall coordinate and compensate the transferee according to the terms stipulated in the agreement.			
Section 27: Taking possession for breach of any condition of the contract.	In the event of a violation of any condition specified in the contract concerning the transfer or allocation of a government-industry or commercial institution, the government or the authority reserves the right to take possession of the institution by the said contract. If deemed necessary, appropriate actions, including the cancellation of the contract and related documents, may be taken per the law.	N/A	N/A	N/A
Section 28: Delegation of power	The Governing Board is authorized to delegate any of its powers or duties to the Executive Chairman, Executive Members, Secretary, or any designated officer through a written resolution.	N/A	N/A	N/A
Section 29: Authority funds	1) The Authority will have a fund into which will be deposited the following sums, namely: - a) money received from the Government; And b) money received by the Authority from any other source. c) The approved fund amount shall be deposited in the name of the authority, and withdrawals from the fund shall be made following the procedures prescribed by law. d) The fund shall meet all expenses of the Authority.	N/A	N/A	N/A
Section 30: Budget	Annually, the authority is obligated to submit the budget statement for the upcoming financial year to the government within a specified timeframe. This statement outline the amount of funds required by the authority from the government for that year. However, the authority shall make efforts to enhance its income to meet its recurrent expenditures.	N/A	N/A	N/A
Section 31: Maintenance and Audit of Accounts.	1) The Authority shall properly maintain its accounts and prepare an annual statement of accounts. 2) The Auditor-General and Comptroller of Bangladesh, referred to as the Auditor-General, shall annually audit the accounts of the Authority. Subsequently, one copy of the audit report shall be submitted to both the Government and the Authority.	N/A	N/A	N/A

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
	<p>3) In addition to the audit mentioned in sub-section (2), the accounts of the Authority shall also be audited by a chartered accountant as defined in sub-section 2(1)(n) of the Act, 1973 (C.G.G. 2nd Act of 1973). For this purpose, the Authority may appoint one or more Chartered Accountants, and the appointed Chartered Accountants shall be entitled to remuneration as fixed by the Government.</p> <p>4) To audit the accounts of the Authority, the Auditor General or any person authorized by him, or the Chartered Accountant employed under sub-section (3) of the Authority, shall have the authority to inspect all records, documents, annual balance sheets, cash or bank deposits, securities, warehouses, and other properties. Additionally, they can interrogate the Executive Chairman, Executive Member, Secretary, or any officer or employee of the authority.</p>			
Section 32: Report	<p>1) The authority is required to submit to the Government an annual report on its activities within 90 (ninety) days after the conclusion of each financial year.</p> <p>2) If deemed necessary, the Government has the authority to request a report or statement from the Authority on any subject, and the Authority is obligated to provide such information to the Government.</p>	N/A	N/A	<p>The Act may contain, in a section, a guarantee and protection clause against appropriation of investments of the approved organization.</p> <p>The Act can also contain, in a section, a dispute resolution clause empowering the High Court Division of the Supreme Court of Bangladesh or the court (preferably a</p>

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
				<p>commercial court/tribunal) against any grievance arising from any action or inaction of the Authority or the approved organization.<sup>46</sup> The court/tribunal can follow the procedure as laid down in the Code of Civil Procedure, 1908 and the Arbitration Act, 2001. Additionally, there can be a grievance redress mechanism too.</p> <p>In addition to, a provision may be added in the clause to periodically review and revise the Act every two to three years. This will ensure that the</p>

<sup>46</sup> Section 6, titled 'Comparison with International Good Practices,' presents a comparative analysis of investment protection mechanisms in several Asian nations, including Vietnam, Malaysia, India, and Thailand. These four countries all offer access to international arbitration, domestic courts, and domestic arbitration for resolving investment-related disputes.

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
				provisions remain aligned with international standards and adapt to global changes.
Section 33: Power to make rules	The Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.	N/A	N/A	N/A
Section 34: Power to make regulations	-- The authority may, with the prior approval of the Government and by notification in the Official Gazette, make regulations for carrying out the purposes of this Act.	N/A	N/A	N/A
Section 35: Revocation and Custody	<p>1) Upon the commencement of this Act, the Board of Investment Act, 1989 (Act No. 17 of 1989) and the Privatization Act, 2000 (Act No. 25 of 2000) shall be repealed. Additionally, the entities established under the two repealed Acts, namely, the Board of Investment and the Privatization Commission will be abolished.</p> <p>2) Notwithstanding the repeal under sub-section (1), any act done or any measure or decision taken, rules, regulation or policy made, any order issued, circular or notification, any permit or notice given, notwithstanding the repeal under sub-section (1), any industry registered, transfer deed or contract executed, any tender invited or any work in progress shall be deemed to be done, received, made, issued, given, registered, executed, invited or in progress under this Act:</p> <p>Provided that the Privatization Act, 2000 (Act No. 25 of 2000) any government industrial or commercial establishment specified for privatization and its unused land or facilities for use in more suitable economic activities instead of privatization to the Bangladesh Export Promotion Zone Authority or Bangladesh Economic Zone Authority or to a domestic or foreign investor. Allocation will be provided.</p>	N/A	N/A	N/A

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
	<p>3) The Board of Investment and Privatization Commission abolished with the coming into force of this Act---</p> <p>a) All stable and movable property and other property arising in or from the said property all rights and interests, cash and bank deposits, investments, all accounts excerpts, records, and other documents handed over to and on authority shall be vested.</p> <p>b) All debts, liabilities, and obligations of and by, on behalf of, or in connection with all debts, liabilities, and obligations of the Contracting Authority executed and by it, it shall be deemed to be a contract executed on behalf of or with him;</p> <p>c) Suits or legal proceedings instituted against or by the Authority or shall be deemed to be a suit or legal proceeding filed by the authority and it shall be settled; accordingly, And</p> <p>d) All officers and employees shall be considered officers and employees of the Authority. The conditions under which they were employed immediately before the commencement of this Act shall continue until modified by the authorities. In case of any dispute, the prevailing provisions of the Government will be followed for resolution. However, until the approval of the organizational structure, an interim system will govern their engagement with the authorities. Once the organizational structure is approved, they will be appointed or posted according to the approved structure. If any officer or employee does not comply with the organizational structure of the new institution, the government will handle the disposition of the surplus officer or employee under the relevant provisions.</p>			

Recommendations - Bangladesh Investment Development Authority Act, 2016				
Section Number & Title	Related provisions	Unchanged	Extension/ modification	New Addition
Section 36: Publication of translated texts in English	1) After the commencement of this Act, The Government shall, by notification in the Official Gazette, publish an authentic English version of the original Bangla version of this Act. 2) In case of conflict between the Bengali and English texts, the Bengali text shall prevail.	N/A	N/A	An English version was not made publicly available for BIDA Act 2016, and hence the Act may add a provision which ensures that translated versions will be made available within 30 days. <sup>47</sup>

Table 9 Recommendations - Bangladesh Investment Development Authority Act, 2016

<sup>47</sup> In Bangladesh, the task of translating gazettes and policies is typically handled by the Bangladesh Government Press (BGP). The BGP, operating under the Ministry of Public Administration, is responsible for printing and publishing government gazettes, including laws, regulations, and policy documents.



## 9. Conclusion

In conclusion, this report has provided a comprehensive analysis of the current state of foreign investment in Bangladesh, shedding light on various aspects of its investment landscape. It has not only recognized the achievements and progress that Bangladesh has made in attracting FDI but also identified several areas that require attention and improvement to further boost its position as an attractive investment destination. Bangladesh has undoubtedly made significant strides in creating a conducive environment for foreign investors. The establishment of BIDA and the enactment of the One Stop Service (OSS) Act in 2018 represent significant milestones in this regard. These initiatives have simplified administrative procedures, reduced bureaucratic hurdles, and enhanced the overall ease of doing business in the country. Moreover, Bangladesh's proactive approach in signing bilateral investment treaties (BITs) and engaging in regional trade agreements demonstrates its commitment to providing a secure and reliable investment climate.

However, this report has also shed light on certain challenges that persist. While Bangladesh has made strides in this area, further improvements are necessary to ensure that investors have access to timely and impartial dispute resolution processes. One of these challenges is the need for an efficient and effective inter-agency coordination mechanism. Streamlining communication and collaboration among various government bodies involved in foreign investment promotion and facilitation is crucial to provide a seamless experience for investors. Findings have revealed a compelling need for improved coordination among various government agencies engaged in the OSS process. This lack of coordination has resulted in service delays, negatively impacting the investor experience and potentially discouraging foreign investment. Hence, incorporating inter-agency coordination provisions into the BIDA Act can further enhance the effectiveness of the OSS. The complexities surrounding outward remittances and profit repatriation have been highlighted in this report. While regulations and guidelines exist, there is room for simplification and clarification of these processes like Viet Name, Malaysia and Thailand, which can significantly benefit investors and contribute to a more investor-friendly environment.

In terms of dispute settlement, Bangladesh faces challenges with its judicial system's independence and efficiency, leading foreign investors to prefer arbitration for resolving cross-border commercial disputes. Foreign investors in Bangladesh prefer arbitration due to delays in the local litigation process. Bangladesh offers various dispute resolution options, including the 2001 and 2004 Arbitration Acts, participation in ICSID, the ability to use third-country forums like Singapore for dispute settlement, and membership in the SAARC Agreement for an Arbitration Council since 2005. Bangladesh is also a signatory to the New York Convention, recognizing international arbitration awards' enforcement. The FPIPPA currently lacks any provisions for investor-state disputes, which are typically found in bilateral agreements. A provision on investor-state dispute should be explicitly stated in the Act and designed to be as comprehensive as possible, providing foreign investors with ample freedom and protection. In most treaties, parties' consent to settling investor-state disputes through international arbitration mechanisms, typically ICSID. When investors commit significant funds to a project, they often seek legal support to ensure their protection. They may not solely rely on the FPIPPA for clarity and may refer to other documents like bilateral investment treaties or joint investment agreements. Furthermore, the OSS can incorporate a grievance redress system aimed at addressing investor concerns and resolving them.

The integration of the One Stop Service (OSS) with the National Single Window, as mandated by the World Trade Organization's Trade Facilitation Agreement (TFA), is a positive step toward modernizing

international trade processes. Nonetheless, addressing the challenges arising from the involvement of multiple agencies in both systems is essential to fully realize the potential benefits of this integration.

Research indicates that IP plays a multifaceted role in fostering FDI, with several facets underscoring its importance in drawing and maintaining investments. Given this evidence, it is advisable for Bangladesh to prioritize robust Intellectual Property protection as a means to attract higher levels of FDI.

FDI plays a vital role in transferring necessary technology for this purpose. Bangladesh can learn from Southeast Asian countries like Thailand, which have provisions for technology transfer through the Foreign Business Act of 1999. To facilitate better technology transfer, improving the investment environment is crucial. This involves simplifying the repatriation of royalties and fees, streamlining expatriate work permits, revising import tariffs, and strengthening connections between FDI assemblers and local suppliers. Establishing a dedicated division within IPAs for linkages is also essential.

Furthermore, this report has emphasized the importance of promoting women's participation in foreign investment. Initiatives like "SheTrades" highlight the significant role that women entrepreneurs and leaders can play in contributing to economic growth and development. Incorporating gender-inclusive provisions into relevant policies and regulations is essential to create a more equitable and inclusive investment environment.

Lastly, aligning Bangladesh's foreign investment practices with established international standards is key to enhancing its competitiveness in the global investment landscape. By benchmarking against global best practices and adopting necessary reforms, Bangladesh can continue to attract foreign investment and stimulate economic growth. Thailand and Malaysia have successfully diversified their economies. Thailand has moved from agriculture-based to more technology and manufacturing-driven, while Malaysia has transitioned into higher-value industries like electronics, automotive, and medical devices. Bangladesh can emulate this by diversifying its economy beyond the textile sector.

In conclusion, Bangladesh has made notable progress in attracting foreign investment, and there is immense potential for further growth. The recommendations outlined in this report serve as a roadmap for the government and relevant stakeholders to address the identified challenges and capitalize on the opportunities. By implementing these recommendations and fostering an environment that is welcoming, efficient, and inclusive, Bangladesh can position itself as a prime destination for foreign investment, driving economic prosperity and development for the nation and its people.

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## Annex 1: List of Key Informant Interview (KII) Participants

No.	Name	Designation	Organization
1	Mustafizur Rahman	Deputy Secretary Manager (OSS & Co-ordination)	Bangladesh Economic Zones Authority (BEZA)
2	Kum Kum Sultana	Director (Policy)	Export Promotion Bureau (EPB)
3	Md. Khairul Kabir Mia	First Secretary (Customs: Policy and Budget)	National Board of Revenue (NBR)
4	Fazlul Haque Mazumder	Additional Executive Director (Investment Promotion); Additional Executive Director (OSS)	Bangladesh Export Processing Zones Authority (BEPZA)
5	Yamada Fiji	Senior Representative	Japan International Cooperation Agency (JICA)
6	Ifrat Ara Begum	Additional Secretary General, Research and Planning Wing	Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)
7	Shyamol Saha	CEO	Ismartu Technology BD Limited
8	S. K CHHABRA	Managing Director	Sakata Inx
9	Prodip Kumar Dhar	General Manager	CHT German
10	TIM Nurul Kabir	Executive Director	Foreign Investors' Chamber of Commerce & Industry (FICCI)



## **Annex 2: BIDA Act 2016**

রেজিস্টার্ড নং ডি এ-১

**বাংলাদেশ**



**গেজেট**

অতিরিক্ত সংখ্যা  
কর্তৃপক্ষ কর্তৃক প্রকাশিত

সোমবার, আগস্ট ১, ২০১৬

বাংলাদেশ জাতীয় সংসদ

ঢাকা, ১৭ শ্রাবণ, ১৪২৩/০১ আগস্ট, ২০১৬

সংসদ কর্তৃক গৃহীত নিম্নলিখিত আইনটি ১৭ শ্রাবণ, ১৪২৩ মোতাবেক ০১ আগস্ট, ২০১৬ তারিখে রাষ্ট্রপতির সম্মতিলাভ করিয়াছে এবং এতদ্বারা এই আইনটি সর্বসাধারণের অবগতির জন্য প্রকাশ করা যাইতেছে :—

**২০১৬ সনের ৩৬ নং আইন**

বেসরকারি খাতে দেশি-বিদেশি বিনিয়োগে উৎসাহদান, শিল্প স্থাপনে প্রয়োজনীয় সুযোগ-সুবিধা ও সহায়তা প্রদান এবং সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠান ও উহার অব্যবহৃত জমি বা স্থাপনা অধিকতর উপযোগী অর্থনৈতিক কর্মকাণ্ডে ব্যবহারের লক্ষ্যে প্রশাসনিক সমন্বয় সাধন ও উন্নততর সেবা প্রদানের নিমিত্ত বিনিয়োগ বোর্ড ও বেসরকারিকরণ কমিশন একীভূতকরণকল্পে প্রণীত আইন

যেহেতু বেসরকারি খাতে দেশি-বিদেশি বিনিয়োগে উৎসাহদান, শিল্প স্থাপনে প্রয়োজনীয় সুযোগ-সুবিধা ও সহায়তা প্রদান এবং সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠান ও উহার অব্যবহৃত জমি বা স্থাপনা অধিকতর উপযোগী অর্থনৈতিক কর্মকাণ্ডে ব্যবহারের লক্ষ্যে প্রশাসনিক সমন্বয় সাধন ও উন্নততর সেবা প্রদানের নিমিত্ত বিনিয়োগ বোর্ড ও বেসরকারিকরণ কমিশন একীভূতকরণ করা সমীচীন ও প্রয়োজনীয়;

সেহেতু এতদ্বারা নিম্নরূপ আইন করা হইল :—

১। সংক্ষিপ্ত শিরোনাম ও প্রবর্তন।—(১) এই আইন বাংলাদেশ বিনিয়োগ উন্নয়ন কর্তৃপক্ষ আইন, ২০১৬ নামে অভিহিত হইবে।

(২) সরকার, সরকারি গেজেটে প্রজ্ঞাপন দ্বারা, যে তারিখ নির্ধারণ করিবে সেই তারিখে এই আইন কার্যকর হইবে।

( ১৩৬২১ )

মূল্য ৪ টাকা ১৬.০০



২। সংজ্ঞা।—বিষয় বা প্রসঙ্গের পরিপন্থি কোন কিছু না থাকিলে, এই আইনে—

- (১) “অনুমোদনপত্র” অর্থ বেসরকারি খাতে কোন শিল্প স্থাপনের বিষয়ে ধারা ১৫ এর উপ-ধারা (৩) এর অধীন প্রদত্ত অনুমোদনপত্র;
- (২) “অনুমোদিত শিল্প” অর্থ ধারা ১৫ এর উপ-ধারা (৩) এর অধীন বেসরকারি খাতে অনুমোদিত কোন শিল্প;
- (৩) “কর্তৃপক্ষ” অর্থ ধারা ৪ এর অধীন প্রতিষ্ঠিত বাংলাদেশ বিনিয়োগ উন্নয়ন কর্তৃপক্ষ;
- (৪) “চেয়ারম্যান” অর্থ গভর্নিং বোর্ডের চেয়ারম্যান;
- (৫) “নির্বাহী চেয়ারম্যান” অর্থ নির্বাহী পরিষদের চেয়ারম্যান;
- (৬) “নির্বাহী পরিষদ” অর্থ ধারা ৯ এর অধীন গঠিত নির্বাহী পরিষদ;
- (৭) “নির্বাহী সদস্য” অর্থ নির্বাহী পরিষদের সদস্য;
- (৮) “নীতিমালা” অর্থ এই আইনের অধীন প্রণীত নীতিমালা;
- (৯) “প্রবিধান” অর্থ এই আইনের অধীন প্রণীত প্রবিধান;
- (১০) বিধি অর্থ এই আইনের অধীন প্রণীত বিধি;
- (১১) “ব্যক্তি” অর্থ বাংলাদেশের কোন নাগরিক, বিদেশি কোন নাগরিক, সংঘ, সমিতি, অংশীদারি কারবার এবং কোম্পানিও ইহার অন্তর্ভুক্ত হইবে;
- (১২) “বেসরকারি খাত” অর্থ সরকার কর্তৃক প্রতিষ্ঠিত কিংবা সরকারের জন্য সংরক্ষিত হিসাবে ঘোষিত নহে এইরূপ কোন শিল্প বা বাণিজ্যিক খাত;
- (১৩) “সদস্য” অর্থ গভর্নিং বোর্ডের কোন সদস্য;
- (১৪) “সচিব” অর্থ কর্তৃপক্ষের সচিব; এবং
- (১৫) “সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠান” অর্থ—
  - (ক) কোন শিল্প বা বাণিজ্যিক প্রতিষ্ঠান যাহা সরকারের মালিকানাধীন বা নিয়ন্ত্রণাধীন অথবা তদ্ব্যবস্থাপক স্থাপিত, প্রতিষ্ঠিত, পরিচালিত বা গঠিত কোন কর্পোরেশন, ট্রাস্ট, বোর্ড, কোম্পানি; অথবা
  - (খ) অন্য যে কোন প্রকারের প্রতিষ্ঠান যাহা সরকার হস্তান্তর করিবার অধিকারী; এবং
  - (গ) দফা (ক) এ উল্লিখিত শিল্প বা বাণিজ্যিক প্রতিষ্ঠান এবং দফা (খ) এ উল্লিখিত প্রতিষ্ঠানে সরকারের বা উক্তরূপ প্রতিষ্ঠানের কোন অংশ, স্বত্ব, স্বার্থ বা পরিচালনা বা ব্যবস্থাপনার অধিকারসহ অন্য যে কোন অধিকারও ইহার অন্তর্ভুক্ত হইবে।

৩। আইনের প্রাধান্য।—আপাতত বলবৎ অন্য কোন আইনে যাহা কিছুই থাকুক না কেন, এই আইনের বিধানাবলি প্রাধান্য পাইবে।

৪। কর্তৃপক্ষ প্রতিষ্ঠা।—(১) এই আইন কার্যকর হইবার সঙ্গে সঙ্গে বাংলাদেশ বিনিয়োগ উন্নয়ন কর্তৃপক্ষ [Bangladesh Investment Development Authority (BIDA)] নামে একটি কর্তৃপক্ষ প্রতিষ্ঠিত হইবে।

(২) কর্তৃপক্ষ একটি সংবিধিবদ্ধ সংস্থা হইবে এবং উহার স্থায়ী ধারাবাহিকতা ও একটি সাধারণ সীলমোহর থাকিবে এবং উহার স্থাবর ও অস্থাবর উভয় প্রকার সম্পত্তি অর্জন করিবার, অধিকারে রাখিবার এবং হস্তান্তর করিবার ক্ষমতা থাকিবে এবং উহা স্বীয় নামে মামলা দায়ের করিতে পারিবে এবং উহার বিরুদ্ধেও মামলা দায়ের করা যাইবে।

৫। কর্তৃপক্ষের কার্যালয়।—কর্তৃপক্ষের প্রধান কার্যালয় ঢাকায় থাকিবে এবং কর্তৃপক্ষ প্রয়োজনবোধে, সরকারের পূর্বানুমোদনক্রমে, যে কোন স্থানে ইহার শাখা কার্যালয় স্থাপন করিতে পারিবে।

৬। গভর্নিং বোর্ড।—(১) নিম্নবর্ণিত সদস্য সমন্বয়ে গভর্নিং বোর্ড গঠিত হইবে, যথা:—

- (ক) প্রধানমন্ত্রী, যিনি ইহার চেয়ারম্যানও হইবেন;
- (খ) অর্থ মন্ত্রণালয়ের দায়িত্বে নিয়োজিত মন্ত্রী, যিনি ইহার ভাইস-চেয়ারম্যানও হইবেন;
- (গ) শিল্প মন্ত্রণালয়ের দায়িত্বে নিয়োজিত মন্ত্রী;
- (ঘ) বিদ্যুৎ, জ্বালানি ও খনিজ সম্পদ মন্ত্রণালয়ের দায়িত্বে নিয়োজিত মন্ত্রী;
- (ঙ) বাণিজ্য মন্ত্রণালয়ের দায়িত্বে নিয়োজিত মন্ত্রী;
- (চ) বস্ত্র ও পাট মন্ত্রণালয়ের দায়িত্বে নিয়োজিত মন্ত্রী;
- (ছ) পরিকল্পনা মন্ত্রণালয়ের দায়িত্বে নিয়োজিত মন্ত্রী;
- (জ) কৃষি মন্ত্রণালয়ের দায়িত্বে নিয়োজিত মন্ত্রী;
- (ঝ) গৃহায়ন ও গণপূর্ত মন্ত্রণালয়ের দায়িত্বে নিয়োজিত মন্ত্রী;
- (এৱ) নির্বাহী চেয়ারম্যান;
- (ট) গভর্নর, বাংলাদেশ ব্যাংক;
- (ঠ) সচিব, স্বরাষ্ট্র মন্ত্রণালয়;
- (ড) সচিব, অভ্যন্তরীণ সম্পদ বিভাগ;
- (ঢ) চেয়ারম্যান, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন;
- (ণ) সভাপতি, ফেডারেশন অব বাংলাদেশ চেম্বারস অব কমার্স এন্ড ইন্ডাস্ট্রিজ; এবং
- (ত) সরকার কর্তৃক মনোনীত বিশেষায়িত চেম্বারের ২ (দুই) জন প্রতিনিধি, যাহার মধ্যে ১ (এক) জন মহিলা থাকিবেন।

- (২) নির্বাহী চেয়ারম্যান গভর্নিং বোর্ডের সদস্য-সচিবের দায়িত্ব পালন করিবেন।
  - (৩) গভর্নিং বোর্ড প্রয়োজনবোধে কোন ব্যক্তিকে সদস্য হিসাবে কো-অপ্ট করিতে পারিবে।
  - (৪) গভর্নিং বোর্ড উহার সভায় কোন আলোচ্য বিষয়ে বিশেষ অবদান রাখিতে সক্ষম এইরূপ যে কোন ব্যক্তিকে আমন্ত্রণ জানাইতে পারিবে।
  - (৫) গভর্নিং বোর্ডের কোন সদস্য পদের শূন্যতা এবং বোর্ড গঠনে ত্রুটি থাকিবার কারণে বোর্ডের কোন কার্যধারা অবৈধ হইবেনা এবং তদসম্পর্কে কোন প্রশ্ন উত্থাপন করা যাইবে না।
- ৭। গভর্নিং বোর্ডের সভা।—(১) এই ধারার অন্যান্য বিধান সাপেক্ষে, গভর্নিং বোর্ড উহার সভার কার্যপদ্ধতি নির্ধারণ করিবে।
- (২) গভর্নিং বোর্ডের সকল সভা, চেয়ারম্যানের সম্মতিক্রমে, উহার সদস্য-সচিব কর্তৃক আহূত হইবে।
  - (৩) চেয়ারম্যান গভর্নিং বোর্ডের সকল সভায় সভাপতিত্ব করিবেন এবং তাঁহার অনুপস্থিতিতে গভর্নিং বোর্ডের ভাইস-চেয়ারম্যান এবং তাঁহাদের উভয়ের অনুপস্থিতিতে চেয়ারম্যান কর্তৃক মনোনীত কোন সদস্য সভায় সভাপতিত্ব করিবেন।
  - (৪) গভর্নিং বোর্ডের সভার কোরামের জন্য উহার মোট সদস্য সংখ্যার সংখ্যাগরিষ্ঠ সদস্যের উপস্থিতির প্রয়োজন হইবে।
  - (৫) গভর্নিং বোর্ডের সভায় উপস্থিত প্রত্যেক সদস্যের একটি করিয়া ভোট থাকিবে এবং ভোটের সমতার ক্ষেত্রে সভাপতিত্বকারী ব্যক্তির দ্বিতীয় বা নির্ণায়ক ভোট প্রদানের অধিকার থাকিবে।
  - (৬) গভর্নিং বোর্ডের সভায় সিদ্ধান্ত গ্রহণে সহায়তার জন্য বিশেষ আমন্ত্রণে উপস্থিত কোন ব্যক্তি সভায় তাঁহার মতামত ব্যক্ত করিতে পারিবেন; তবে তাঁহার ভোট প্রদানের অধিকার থাকিবে না।
- ৮। কর্তৃপক্ষের কার্যাবলি।—কর্তৃপক্ষের কার্যাবলি হইবে নিম্নরূপ, যথা:—
- (১) বেসরকারি খাতে দ্রুত শিল্পায়নের উদ্দেশ্যে দেশি ও বিদেশি পুঁজি বিনিয়োগে সর্বত্রকার সুযোগ-সুবিধা প্রদান;
  - (২) বেসরকারি খাতের শিল্পে পুঁজি বিনিয়োগ সংক্রান্ত সরকারের নীতি বাস্তবায়ন;
  - (৩) বেসরকারি খাতের শিল্প বিনিয়োগ-তফসিল প্রণয়ন এবং উক্ত খাতের জন্য বিশেষ সুযোগ-সুবিধা নির্ধারণ;
  - (৪) বেসরকারি খাতে শিল্প স্থাপনের জন্য এলাকা-তফসিল প্রণয়ন এবং উক্ত এলাকার জন্য বিশেষ সুযোগ-সুবিধা নির্ধারণ;

- (৫) বেসরকারি খাতে দেশি ও বিদেশি পুঁজি সংবলিত শিল্প প্রকল্প অনুমোদন ও নিবন্ধীকরণ;
- (৬) বেসরকারি খাতে শিল্প বিনিয়োগের খাত ও সুযোগসমূহ চিহ্নিতকরণ এবং দেশে ও বিদেশে উহার বহুল প্রচারের ব্যবস্থা;
- (৭) বেসরকারি খাতে শিল্প বিনিয়োগ উন্নয়নের লক্ষ্যে সুনির্দিষ্ট কৌশল উদ্ভাবন ও উহার বাস্তবায়ন;
- (৮) বেসরকারি খাতে শিল্পের অবকাঠামোগত সুবিধা সৃষ্টিকরণ;
- (৯) বেসরকারি খাতের শিল্পের জন্য প্রয়োজনীয় বিদেশি কর্মকর্তা, বিশেষজ্ঞ ও কর্মচারী নিয়োগের শর্তাবলি নির্ধারণ;
- (১০) বেসরকারি খাতে প্রযুক্তি হস্তান্তর ও পর্যায়ক্রমিক স্থানীয় উৎপাদনের নীতিমালা প্রণয়ন ও বাস্তবায়ন;
- (১১) বেসরকারি খাতে শিল্প-বিনিয়োগ-পুঁজি গঠনের বিষয়ে প্রয়োজনীয় ব্যবস্থা গ্রহণ;
- (১২) সকল প্রকার শিল্প-উপাত্ত সংগ্রহ, সংকলন, বিশ্লেষণ, বিতরণ এবং তদুদ্দেশ্যে তথ্যভান্ডার (data bank) স্থাপন;
- (১৩) সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠান ও ইহার অব্যবহৃত জমি বা স্থাপনা অধিকতর উপযোগী অর্থনৈতিক কর্মকাণ্ডে ব্যবহারের জন্য—
  - (ক) হস্তান্তর বা বরাদ্দ প্রদানের লক্ষ্যে চিহ্নিতকরণ এবং বিধি দ্বারা নির্ধারিত পদ্ধতিতে যথাযথ ব্যবস্থা গ্রহণ;
  - (খ) দেশি-বিদেশি বিনিয়োগকারীকে বরাদ্দ প্রদান এবং ইহার আংশিক বা সম্পূর্ণ শেয়ার হস্তান্তর;
  - (গ) হস্তান্তর বা বরাদ্দ প্রদানের লক্ষ্যে বিধি দ্বারা নির্ধারিত পদ্ধতিতে মূল্যায়ন এবং এতদসংক্রান্ত প্রয়োজনীয় কার্যক্রম গ্রহণ;
  - (ঘ) হস্তান্তর বা বরাদ্দ প্রদান এবং বিনিয়োগ সম্পর্কিত নীতিমালা অধিকতর ফলপ্রসূ ও কার্যকর করিবার লক্ষ্যে প্রয়োজনীয় সমীক্ষা পরিচালনা করিয়া সরকারকে পরামর্শ প্রদান;
- (৬) হস্তান্তর বা বরাদ্দ প্রদান সম্পর্কিত নীতিমালা বাস্তবায়নের সাফল্য মূল্যায়নপূর্বক প্রাপ্ত ফলাফল সম্পর্কে সরকারকে নিয়মিতভাবে অবহিতকরণ;
- (৭) হস্তান্তর বা বরাদ্দ প্রদানের ক্ষেত্রে কোন প্রতিবন্ধকতা সৃষ্টি হইলে উহা দূরীকরণের জন্য যে কোন আইনগত বা প্রশাসনিক ব্যবস্থা গ্রহণ;
- (৮) হস্তান্তর বা বরাদ্দ প্রদান সহজতর করিবার জন্য সরকারের সংশ্লিষ্ট মন্ত্রণালয় বা বিভাগকে প্রয়োজনীয় কার্যক্রম গ্রহণের জন্য পরামর্শ প্রদান।

- (১৪) হস্তান্তর বা বরাদ্দ প্রদানকৃত সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠানসমূহের কাজের অগ্রগতি মূল্যায়ন, পরিবীক্ষণ ও পর্যালোচনাপূর্বক সরকারকে নিয়মিতভাবে অবহিতকরণ;
- (১৫) বিনিয়োগের প্রয়োজনীয়তা, উপযোগিতা ও সুফল সম্পর্কে গবেষণা পরিচালনা ও তদসম্পর্কে জনসাধারণকে অবহিতকরণ; এবং
- (১৬) সরকার কর্তৃক সময় সময় নির্ধারিত অন্যান্য কার্যক্রম।
- ৯। নির্বাহী পরিষদ গঠন ও উহার কার্যাবলি।—(১) কর্তৃপক্ষের একটি নির্বাহী পরিষদ থাকিবে, যাহা একজন নির্বাহী চেয়ারম্যান ও অনধিক ৬ (ছয়) জন নির্বাহী সদস্য সমন্বয়ে গঠিত হইবে।
- (২) নির্বাহী চেয়ারম্যানের পদমর্যাদা, চাকরির মেয়াদ ও শর্তাবলি সরকার কর্তৃক নির্ধারিত হইবে।
- (৩) নির্বাহী চেয়ারম্যান কর্তৃপক্ষের প্রধান নির্বাহী কর্মকর্তা হইবেন।
- (৪) নির্বাহী সদস্যগণ সরকারের অতিরিক্ত সচিব বা তদুর্ধ্ব পর্যায়ের কর্মকর্তাগণের মধ্য হইতে প্রেমণে নিযুক্ত হইবেন।
- (৫) নির্বাহী পরিষদ—
- (ক) কর্তৃপক্ষকে উহার কার্যাবলি সুচারুরূপে সম্পাদনের জন্য পরামর্শ ও সহায়তা প্রদান করিবে;
- (খ) গভর্নিং বোর্ডের যাবতীয় সিদ্ধান্ত বাস্তবায়নের জন্য দায়ী থাকিবে এবং জবাবদিহি করিবে; এবং
- (গ) গভর্নিং বোর্ড কর্তৃক অর্পিত সকল ক্ষমতা প্রয়োগ ও দায়িত্ব পালন করিবে।
- (৬) নির্বাহী চেয়ারম্যানের পদ শূন্য হইলে কিংবা অনুপস্থিতি, অসুস্থতা বা অন্য কোন কারণে তিনি তাহার দায়িত্ব পালনে অসমর্থ হইলে, ক্ষেত্রমত, শূন্য পদে নিযুক্ত নতুন নির্বাহী চেয়ারম্যান কার্যভার গ্রহণ না করা পর্যন্ত কিংবা নির্বাহী চেয়ারম্যান পুনরায় স্বীয় দায়িত্ব পালনে সমর্থ না হওয়া পর্যন্ত নির্বাহী পরিষদের জ্যেষ্ঠতম সদস্য নির্বাহী চেয়ারম্যানের দায়িত্ব পালন করিবেন।
- ১০। নির্বাহী পরিষদের সভা—(১) এই ধারার অন্যান্য বিধান সাপেক্ষে, নির্বাহী পরিষদ উহার সভার কার্যপদ্ধতি নির্ধারণ করিবে।
- (২) নির্বাহী পরিষদের সকল সভা নির্বাহী চেয়ারম্যানের নির্দেশে সচিব কর্তৃক আহূত হইবে।
- (৩) নির্বাহী চেয়ারম্যান নির্বাহী পরিষদের সকল সভায় সভাপতিত্ব করিবেন এবং তাঁহার অনুপস্থিতিতে নির্বাহী পরিষদের জ্যেষ্ঠতম সদস্য সভায় সভাপতিত্ব করিবেন।

(৪) নির্বাহী পরিষদের সভার কোরামের জন্য উহার মোট সদস্য সংখ্যার সংখ্যাগরিষ্ঠ সদস্যের উপস্থিতির প্রয়োজন হইবে।

(৫) নির্বাহী পরিষদের সভায় উপস্থিত প্রত্যেক সদস্যের একটি করিয়া ভোট থাকিবে এবং ভোটের সমতার ক্ষেত্রে সভাপতিত্বকারী ব্যক্তির দ্বিতীয় বা নির্ণায়ক ভোট প্রদানের অধিকার থাকিবে।

(৬) নির্বাহী পরিষদ উহার সভায় কোন আলোচ্য বিষয়ে বিশেষ অবদান রাখিতে সক্ষম এইরূপ যে কোন ব্যক্তিকে আমন্ত্রণ জানাইতে পারিবে, তবে তাহার ভোট প্রদানের অধিকার থাকিবে না।

১১। সচিব।—(১) কর্তৃপক্ষের একজন সচিব থাকিবেন, যিনি সরকারের অতিরিক্ত সচিব বা তদূর্ধ্ব পদমর্যাদার কর্মকর্তাগণের মধ্য হইতে প্রেষণে নিযুক্ত হইবেন।

(২) সচিব—

- (ক) নির্বাহী চেয়ারম্যানের অনুমতি সাপেক্ষে নির্বাহী পরিষদের সভা আহ্বান করিয়া নোটিশ জারি করিবেন;
- (খ) নির্বাহী পরিষদের সভার কার্যবিবরণী লিপিবদ্ধ ও সংরক্ষণ করিবেন;
- (গ) কর্তৃপক্ষের হিসাব সংরক্ষণ, হিসাব বিবরণী প্রণয়ন ও হিসাব নিরীক্ষার ব্যবস্থা করিবেন;
- (ঘ) কর্তৃপক্ষের বাজেট প্রণয়ন করিয়া অনুমোদনের জন্য পেশ করিবেন; এবং
- (ঙ) নির্বাহী চেয়ারম্যান কর্তৃক অর্পিত বা নির্দিষ্টকৃত অন্যান্য দায়িত্ব পালন করিবেন।

১২। কর্তৃপক্ষের অন্যান্য কর্মকর্তা, কর্মচারী ইত্যাদি।—(১) সরকার কর্তৃক অনুমোদিত সাংগঠনিক কাঠামো সাপেক্ষে, কর্তৃপক্ষ উহার দায়িত্ব ও কর্তব্য সুষ্ঠুভাবে পালনের জন্য প্রয়োজনীয় সংখ্যক কর্মকর্তা ও কর্মচারী নিয়োগ করিতে পারিবে।

(২) কর্তৃপক্ষের কর্মকর্তা ও কর্মচারীদের নিয়োগ ও চাকরির শর্তাবলি প্রবিধান দ্বারা নির্ধারিত হইবে।

১৩। কমিটি।—(১) কর্তৃপক্ষ উহার দায়িত্ব পালনে সহায়তা প্রদানের জন্য এক বা একাধিক কমিটি গঠন করিতে পারিবে।

(২) কমিটির সদস্য সংখ্যা এবং উহার দায়িত্ব ও কার্যপদ্ধতি কর্তৃপক্ষ কর্তৃক নির্ধারিত হইবে।

১৪। নিবন্ধীকরণ ও অনুমতি গ্রহণ।—(১) আইন দ্বারা প্রতিষ্ঠিত কোন কর্তৃপক্ষ বা সংস্থার আওতাধীন শিল্প প্রতিষ্ঠান ব্যতীত বেসরকারি খাতে স্থাপিত সকল অনিবন্ধিত শিল্পকে প্রবিধান দ্বারা নির্ধারিত পদ্ধতিতে নিবন্ধিত হইতে হইবে:

তবে শর্ত থাকে যে, প্রবিধান প্রণীত না হওয়া পর্যন্ত কর্তৃপক্ষ এই উপ-ধারার উদ্দেশ্য পূরণকল্পে, প্রয়োজনীয় আদেশ জারি করিতে পারিবে।



(২) বিদেশে নিবন্ধিত বেসরকারি বাণিজ্যিক কোম্পানির বাংলাদেশ শাখা, লিয়াজেঁ ও রিপ্রেজেন্টেটিভ অফিস স্থাপনের ক্ষেত্রে কর্তৃপক্ষ কর্তৃক নির্ধারিত পদ্ধতিতে অনুমতি গ্রহণ করিতে হইবে।

(৩) এই ধারার অধীন নিবন্ধিত বা অনুমতিপ্রাপ্ত যে কোন শিল্প উহার আবেদনের প্রেক্ষিতে প্রচলিত আইনে নির্ধারিত সকল সুযোগ-সুবিধা প্রাপ্য হইবে।

১৫। বেসরকারি খাতে শিল্প প্রকল্প অনুমোদন, ইত্যাদি।—(১) আইন দ্বারা প্রতিষ্ঠিত কোন কর্তৃপক্ষ বা সংস্থার আওতাধীন শিল্প বা বাণিজ্যিক প্রতিষ্ঠান ব্যতীত বেসরকারি খাতে শিল্প স্থাপনে ইচ্ছুক প্রত্যেক ব্যক্তিকে তাঁহার প্রস্তাবিত শিল্প প্রকল্পের জন্য অনুমোদন চাহিয়া কর্তৃপক্ষের নিকট তদ্ব্যবস্থাপক নির্ধারিত পদ্ধতিতে আবেদন করিতে হইবে।

(২) উপ-ধারা (১)-এর অধীন প্রাপ্ত আবেদন বিবেচনার সুবিধার্থে কর্তৃপক্ষ আবেদনকারীকে প্রয়োজনীয় তথ্য সরবরাহের জন্য নির্দেশ প্রদান করিতে পারিবে এবং প্রস্তাবিত শিল্প প্রকল্প-সম্পর্কিত কোন বিষয়ে সংশ্লিষ্ট অন্য যে কোন প্রতিষ্ঠান বা ব্যক্তির পরামর্শ গ্রহণ করিতে পারিবে।

(৩) উপ-ধারা (১)-এর অধীন প্রাপ্ত আবেদন অনুমোদনযোগ্য বলিয়া বিবেচিত হইলে কর্তৃপক্ষ প্রকল্পটি অনুমোদন করিবে এবং আবেদনকারীকে একটি অনুমোদনপত্র প্রদান করিবে এবং উক্ত অনুমোদনপত্রে প্রকল্পটি বাস্তবায়ন এবং উহাতে উৎপাদন শুরু করিবার সময়সীমা নির্ধারণ করিয়া দিবে।

(৪) উপ-ধারা (৩)-এর অধীন কোন শিল্প প্রকল্প অনুমোদনকালে কর্তৃপক্ষ প্রকল্পটি যথাসময়ে বাস্তবায়নের জন্য প্রয়োজনীয় যাবতীয় বিষয় সম্পর্কে, বিশেষ করিয়া, নিম্নবর্ণিত সকল বা যে কোন বিষয়ে, প্রাসঙ্গিকতা সাপেক্ষে, উহার সুস্পষ্ট সিদ্ধান্ত প্রদান করিবে এবং সংশ্লিষ্ট ব্যক্তি বা কর্তৃপক্ষের নিকট উহা প্রেরণ করিবে, যথা:—

- (ক) বৈদেশিক ঋণ, সরবরাহকারী ঋণ (Supplier's Credit) ও বিলম্বিত ঋণ এর পরিমাণ ও শর্তাবলি;
- (খ) আইন দ্বারা প্রতিষ্ঠিত কোন কর্তৃপক্ষ বা সংস্থার আওতাধীন শিল্প বা বাণিজ্যিক প্রতিষ্ঠান ব্যতীত সরকার বা অন্য কোন স্থানীয় কর্তৃপক্ষের মালিকানাধীন বা নিয়ন্ত্রণাধীন শিল্প এলাকায় জমি বরাদ্দ;
- (গ) বিদ্যুৎ, গ্যাস এবং পানির সংযোগ প্রদানের সময়সীমা;
- (ঘ) পরঃপ্রণালীর সংযোগ প্রদানের সময়সীমা;
- (ঙ) সকল প্রকার টেলিযোগাযোগ স্থাপনের সময়সীমা;
- (চ) আমদানিকৃত যন্ত্রপাতি, যন্ত্রাংশ ও কাঁচামালের ক্ষেত্রে শুল্ক কর্তৃপক্ষ কর্তৃক ছাড়করণের সময়সীমা;
- (ছ) পরিবেশ দূষণ সম্পর্কিত ছাড়পত্র প্রদানের সময়সীমা; এবং
- (জ) শিল্প স্থাপন ত্বরান্বিতকরণের জন্য প্রয়োজনীয় অন্যান্য সুযোগ-সুবিধা।

(৫) উপ-ধারা (৪) এর অধীন কর্তৃপক্ষ কর্তৃক প্রদত্ত প্রত্যেক সিদ্ধান্ত সরকারি বা আইন অনুযায়ী সিদ্ধান্ত প্রদানে ক্ষমতাপ্রাপ্ত সংশ্লিষ্ট ব্যক্তি বা কর্তৃপক্ষের সিদ্ধান্ত বলিয়া বিবেচিত হইবে এবং তদনুযায়ী উহা বাস্তবায়িত হইবে।

(৬) উপ-ধারা (৪) এর অধীন কোন ব্যক্তি বা কর্তৃপক্ষের নিকট কোন সিদ্ধান্ত প্রেরণ করিলে উক্ত ব্যক্তি বা কর্তৃপক্ষ উক্ত সিদ্ধান্ত বাস্তবায়নের জন্য নির্দিষ্ট সময়ের মধ্যে যথাযথ পদক্ষেপ গ্রহণ করিবে।

(৭) সংশ্লিষ্ট ব্যক্তি বা কর্তৃপক্ষ উপ-ধারা (৬) এর অধীন কর্তৃপক্ষ কর্তৃক নির্দিষ্ট সময়ের মধ্যে যথাযথ পদক্ষেপ গ্রহণ করিতে যদি ব্যর্থ হয় বা অপারগ হয় তাহা হইলে কর্তৃপক্ষ বিষয়টি পর্যালোচনাপূর্বক উক্ত সিদ্ধান্ত অনুযায়ী ব্যবস্থা গ্রহণের জন্য যথাযথ নির্দেশ প্রদান করিতে পারিবে এবং উক্ত নির্দেশ অনুযায়ী ব্যবস্থা গ্রহণের জন্য উক্ত ব্যক্তি বা কর্তৃপক্ষ বাধ্য থাকিবে।

(৮) কোন ব্যক্তি, কর্তৃপক্ষের পূর্বানুমতি ব্যতিরেকে, উপ-ধারা (৪)-এর অধীন প্রদত্ত কোন সুযোগ-সুবিধা সংশ্লিষ্ট শিল্প প্রকল্প ব্যতীত অন্য কোন উদ্দেশ্যে ব্যবহার করিতে পারিবেন না অথবা অনুমোদিত শিল্পের ধরন পরিবর্তন অথবা মালিকানার পরিবর্তন করিতে পারিবেন না।

(৯) অনুমোদিত শিল্প প্রকল্প কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮নং আইন) এর অধীন নিবন্ধিত কোন কোম্পানি হইলে উহার মূলধন ইস্যুকরণ (issue of capital) ও শেয়ার বিক্রয় সম্পর্কিত যাবতীয় বিষয়ে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের মাধ্যমে কর্তৃপক্ষ সরকারের ক্ষমতা প্রয়োগ ও দায়িত্ব সম্পাদন করিতে পারিবে।

(১০) কোন শিল্প প্রকল্প উহার অনুমোদনপত্রে নির্ধারিত সময়সীমার মধ্যে প্রকল্পটি বাস্তবায়ন এবং উৎপাদন শুরু করিবার ক্ষেত্রে কোন অসুবিধার সম্মুখীন হইলে উহা দূরীকরণের জন্য সংশ্লিষ্ট উদ্যোক্তা কর্তৃপক্ষের নিকট আবেদন করিতে পারিবে এবং উক্তরূপ আবেদনের পরিপ্রেক্ষিতে কর্তৃপক্ষ যথাযথ সহায়তা প্রদান করিবে।

(১১) অনুমোদিত শিল্প প্রকল্পের বাস্তবায়ন সম্পর্কে কর্তৃপক্ষ সময় সময় প্রকল্প-উদ্যোক্তার নিকট হইতে প্রয়োজনীয় তথ্য তলব করিতে পারিবে।

১৬। **ওয়ান স্টপ সার্ভিস** —(১) অনুমোদিত শিল্প প্রতিষ্ঠানসমূহের চাহিদা অনুযায়ী প্রয়োজনীয় অবকাঠামোগত সেবা প্রদান দ্রুত নিশ্চিতকরণের লক্ষ্যে একটি আন্তঃমন্ত্রণালয় ওয়ান স্টপ সার্ভিস কেন্দ্র থাকিবে।

(২) সরকার, সরকারি গেজেটে প্রজ্ঞাপন দ্বারা, ওয়ান স্টপ সার্ভিস নিশ্চিতকরণ কমিটি নামে একটি কমিটি গঠন করিবে।

(৩) ওয়ান স্টপ সার্ভিস নিশ্চিতকরণ কমিটি প্রয়োজন অনুসারে তাৎক্ষণিকভাবে সেবা প্রদান নিশ্চিত করিবে।



১৭। আমদানি স্বত্ব নির্ধারণ।—(১) অনুমোদিত শিল্প প্রতিষ্ঠানের যন্ত্রপাতি, যন্ত্রাংশ, কাঁচামাল ও মোড়ক-উপকরণ আমদানির জন্য আমদানি স্বত্বের প্রয়োজন হইলে সংশ্লিষ্ট প্রতিষ্ঠানকে কর্তৃপক্ষের নিকট বিধি দ্বারা নির্ধারিত পদ্ধতি ও ফরমে আবেদন করিতে হইবে।

(২) উপ-ধারা (১) এর অধীন প্রাপ্ত আবেদন বিবেচনার পর কর্তৃপক্ষ যে আমদানি স্বত্ব নির্ধারণ করিবে সেই স্বত্ব অনুযায়ী যাহাতে উক্ত যন্ত্রপাতি, যন্ত্রাংশ, কাঁচামাল ও মোড়ক-উপকরণ আমদানি করা যায় তজ্জন্য কর্তৃপক্ষ প্রয়োজনীয় ছাড়পত্র প্রদান করিবে।

১৮। রয়্যালটি ও ফি।—অনুমোদিত শিল্প প্রতিষ্ঠান কর্তৃক বিদেশি কোন ব্যক্তি বা প্রতিষ্ঠানকে কোন রয়্যালটি বা কারিগরি জ্ঞান বা কারিগরি সহায়তা ফি, ফ্রান্সাইজ ফি প্রদেয় হইলে সংশ্লিষ্ট শিল্প প্রতিষ্ঠানকে, কর্তৃপক্ষ কর্তৃক নির্ধারিত পদ্ধতিতে, উক্ত রয়্যালটি বা ফি নির্ধারণের জন্য কর্তৃপক্ষের নিকট আবেদন করিতে হইবে এবং কর্তৃপক্ষ কর্তৃক নির্ধারিত রয়্যালটি বা ফি সংশ্লিষ্ট শিল্প প্রতিষ্ঠান কর্তৃক প্রদেয় হইবে।

১৯। অনুমোদন বাতিল।—কোন অনুমোদিত শিল্প এই আইন বা তদধীন প্রণীত বিধি কোন বিধান লঙ্ঘন করিলে বা অনুমোদনপত্রের কোন শর্ত ভঙ্গ করিলে কর্তৃপক্ষ বিধি দ্বারা নির্ধারিত পদ্ধতিতে উহার অনুমোদন বাতিল করিতে পারিবে।

২০। পরিদর্শন, অনুসন্ধান, তদন্ত, শিল্প সংস্কার ইত্যাদি।—(১) এই আইনের উদ্দেশ্য পূরণকল্পে, সরকার, কর্তৃপক্ষ বা তদকর্তৃক নিযুক্ত কোন ব্যক্তি বা প্রতিষ্ঠান—

- (ক) অনুমোদিত শিল্প প্রকল্পের বাস্তবায়ন অগ্রগতি পরিদর্শন করিতে পারিবে এবং উক্ত পরিদর্শনের রিপোর্ট কর্তৃপক্ষ বা সরকারের নিকট পেশ করিতে পারিবে; এবং
- (খ) যে কোন সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠানে প্রবেশ করিয়া উহা পরিদর্শন করিতে বা উহাতে কোন অনুসন্ধান বা তদন্ত পরিচালনা করিতে পারিবে এবং উক্তরূপ প্রবেশ, পরিদর্শন, অনুসন্ধান বা তদন্তের বিষয়ে সংশ্লিষ্ট প্রতিষ্ঠান প্রয়োজনীয় সকল প্রকার সুযোগ-সুবিধা প্রদান করিবে।

(২) উপ-ধারা (১) এর দফা (খ) এর অধীন পরিদর্শন, অনুসন্ধান, তদন্ত অনুষ্ঠানের মাধ্যমে বা অন্যবিধ উপায়ে প্রাপ্ত তথ্য বিশ্লেষণ করিয়া কর্তৃপক্ষ প্রতিষ্ঠানটিতে জনস্বার্থে কোন সংস্কার আনয়ন প্রয়োজন মনে করিলে প্রয়োজনীয় ব্যবস্থা গ্রহণ করিতে পারিবে এবং এতদুদ্দেশ্যে সংশ্লিষ্ট প্রতিষ্ঠানটিকে যথাযথ নির্দেশ দিতে পারিবে।

২১। শিল্প এলাকা ঘোষণা বা বিদ্যমান শিল্প এলাকা বা প্রতিষ্ঠানের নাম পরিবর্তন।—সরকার, এই আইনের উদ্দেশ্য পূরণকল্পে, সরকারি গেজেটে প্রজ্ঞাপন দ্বারা, উহাতে উল্লিখিত এক বা একাধিক এলাকাকে শিল্প এলাকা হিসাবে ঘোষণা করিতে পারিবে অথবা বিদ্যমান শিল্প এলাকা বা প্রতিষ্ঠানের নাম পরিবর্তন করিতে পারিবে।

২২। শিল্প এলাকার জন্য ভূমি অধিগ্রহণ।—(১) ধারা ২১-এর অধীন ঘোষিত শিল্প এলাকায় অবস্থিত কোন ভূমি অনুমোদিত কোন শিল্প প্রকল্পের জন্য প্রয়োজন হইলে উহা জনস্বার্থে প্রয়োজনীয় বলিয়া বিবেচিত হইবে এবং তদুদ্দেশ্যে উহা Acquisition and Requisition of Immovable Property Ordinance, 1982 (Ordinance No. II of 1982) এর বিধান মোতাবেক অধিগ্রহণ করা যাইবে।

(২) উপ-ধারা (১) এর অধীন অধিগ্রহণকৃত ভূমি যে উদ্দেশ্যে অধিগ্রহণ করা হইয়াছে সেই উদ্দেশ্য ব্যতীত কর্তৃপক্ষের অনুমতি ব্যতিরেকে অন্য কোন উদ্দেশ্যে ব্যবহার করা যাইবে না।

(৩) সরকারি শিল্প প্রতিষ্ঠানের ব্যবহারের অতিরিক্ত ভূমিতে উক্তরূপ শিল্প এলাকা স্থাপনের ক্ষেত্রে ভূমি অধিগ্রহণের প্রয়োজন হইবে না, কর্তৃপক্ষ কর্তৃক শিল্পায়নের জন্য সংশ্লিষ্ট মন্ত্রণালয় বা বিভাগের মতামত গ্রহণপূর্বক চিহ্নিত করা হইবে এবং অর্থনৈতিক বিষয় সংক্রান্ত মন্ত্রিসভা কমিটির অনুমোদনক্রমে কর্তৃপক্ষ উহা বরাদ্দ প্রদান করিবে।

২৩। সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠান এবং ইহার অব্যবহৃত জমি বা স্থাপনা অধিকতর উপযোগী অর্থনৈতিক কর্মকাণ্ডে ব্যবহারের প্রক্রিয়া।—(১) সরকার, সরকারি গেজেটে প্রজ্ঞাপন দ্বারা, দেশে বিনিয়োগ বৃদ্ধি, বেসরকারি খাতে শিল্প স্থাপন ও সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠান ও ইহার অব্যবহৃত জমি বা স্থাপনা অধিকতর উপযোগী অর্থনৈতিক কর্মকাণ্ডে ব্যবহারের জন্য নীতিমালা প্রণয়ন করিবে।

(২) সরকার বরাদ্দযোগ্য সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠানের অধিকতর উপযোগী অর্থনৈতিক কর্মকাণ্ডে ব্যবহারের জন্য হস্তান্তর বা বরাদ্দ প্রদানের লক্ষ্যে সামগ্রিকভাবে উক্ত শিল্প বা প্রতিষ্ঠান বা উহার অংশবিশেষ, মেশিনারি বা অব্যবহৃত জমি বা স্থাপনার তালিকা করিবে।

(৩) উপ-ধারা (২) এ উল্লিখিত তালিকার সহিত সংশ্লিষ্ট সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠান ও উহার অব্যবহৃত জমি বা স্থাপনা সম্পর্কে একটি সংক্ষিপ্ত ইতিবৃত্ত, উহার আনুমানিক মূল্য ও উহার সম্পদ ও দায়-দায়িত্ব সম্পর্কে একটি সুস্পষ্ট বর্ণনা সংযুক্ত থাকিবে।

(৪) নীতিমালার অধীন কর্তৃপক্ষ অধিকতর উপযোগী অর্থনৈতিক কর্মকাণ্ডে ব্যবহারের জন্য বরাদ্দযোগ্য সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠান নির্দিষ্ট করিবে এবং সরকার কর্তৃক উপ-ধারা (২) এর অধীন তালিকাভুক্ত কোন সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠান ও উহার অব্যবহৃত মেশিনারী, জমি বা স্থাপনা এবং উপ-ধারা (৩) এর অধীন উহার আনুমানিক মূল্য উহার সম্পদ দায়-দায়িত্ব কর্তৃপক্ষের নিকট প্রেরণ করা হইলে কর্তৃপক্ষ উহার হস্তান্তর বা বরাদ্দ প্রদানের লক্ষ্যে প্রয়োজনীয় ব্যবস্থা গ্রহণ করিবে।

(৫) দেশি-বিদেশি অগ্রহী বিনিয়োগকারীগণ অংশীদারিত্বের ভিত্তিতে উক্তরূপ সরকারি শিল্প ও বাণিজ্যিক প্রতিষ্ঠান ব্যবস্থাপনা ও পরিচালনার জন্য বরাদ্দ গ্রহণ করিতে পারিবেন এবং অব্যবহৃত জমি লীজ গ্রহণ করিতে পারিবেন।

(৬) কোন সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠানের শেয়ার সংশ্লিষ্ট প্রতিষ্ঠানের সংঘবিধি এবং কোম্পানি আইনের বিধান মোতাবেক হস্তান্তর করা হইবে।

(৭) এই ধারার অন্যান্য বিধানে যাহা কিছুই থাকুক না কেন, কোন সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠানের হস্তান্তর মূল্য, গ্রহীতা কর্তৃক পরিশোধিতব্য দীর্ঘমেয়াদী ঋণসহ (যদি থাকে), অনধিক ১০০ (একশত) কোটি টাকা হইলে ইহার হস্তান্তরের সিদ্ধান্ত কর্তৃপক্ষ চূড়ান্ত করিতে পারিবে এবং হস্তান্তর মূল্য ১০০ (একশত) কোটি টাকার উর্ধ্ব হইলে, হস্তান্তরের সিদ্ধান্ত চূড়ান্ত করিবার পূর্বে অর্থনৈতিক বিষয় সংক্রান্ত মন্ত্রিসভা কমিটির অনুমোদন গ্রহণ করিতে হইবে।

(৮) কোন সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠানের শেয়ার হস্তান্তরের ক্ষেত্রে, সংশ্লিষ্ট শেয়ার সরাসরি দরপত্রের মাধ্যমে বা স্টক এক্সচেঞ্জের মাধ্যমে হস্তান্তর করা যাইবে।

(৯) কোন সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠানের ব্যবস্থাপনা ও পরিচালনার জন্য হস্তান্তর বা বরাদ্দ প্রদান সংক্রান্ত চুক্তি প্রণয়নকালে সংশ্লিষ্ট সংস্থা বা প্রতিষ্ঠানের কর্মকর্তা, কর্মচারী ও শ্রমিকগণ যাহাতে তাঁহাদের প্রাপ্য ন্যায় পাওনা হইতে বঞ্চিত না হন সরকার সেই বিষয়ে প্রচলিত আইন ও এতদ্বিষয়ে অন্যান্য নীতি অনুসরণ করিয়া প্রয়োজনীয় কার্যক্রম গ্রহণ করিবে।

২৪। হস্তান্তর বা বরাদ্দ সংক্রান্ত চুক্তিপত্র।—(১) কোন সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠান এবং উহার অব্যবহৃত জমি বা স্থাপনা অধিকতর উপযোগী অর্থনৈতিক কর্মকাণ্ডে ব্যবহারের জন্য বাংলাদেশ রপ্তানি প্রক্রিয়াকরণ এলাকা কর্তৃপক্ষ, বাংলাদেশ অর্থনৈতিক অঞ্চল কর্তৃপক্ষ অথবা অর্থনৈতিক কর্মকাণ্ডের সহিত জড়িত এই জাতীয় অন্য কোন কর্তৃপক্ষ বা সংস্থার নিকট হস্তান্তর অথবা দেশি বা বিদেশি বিনিয়োগকারীকে বরাদ্দ প্রদানের লক্ষ্যে গৃহীত প্রক্রিয়া চূড়ান্ত পর্যায়ে পৌঁছাইলে, সংশ্লিষ্ট কর্তৃপক্ষ হস্তান্তরগ্রহীতা বা বরাদ্দগ্রহীতার সহিত প্রয়োজনীয় চুক্তিপত্র সম্পাদন করিবে।

(২) উপ-ধারা (১) এর অধীন সম্পাদিত চুক্তিপত্র কার্যকর করিবার লক্ষ্যে কর্তৃপক্ষ প্রয়োজনীয় পদক্ষেপ বা কার্যক্রম গ্রহণ করিতে পারিবে।

(৩) উপ-ধারা (১) ও (২) এর অধীন গৃহীত পদক্ষেপ বা কার্যক্রম সরকার কর্তৃক গৃহীত পদক্ষেপ বা কার্যক্রম বলিয়া গণ্য হইবে।

২৫। অর্জিত অর্থ।—(১) কোন সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠান এবং ইহার অব্যবহৃত জমি বা স্থাপনা অধিকতর উপযোগী অর্থনৈতিক কর্মকাণ্ডে ব্যবহারের জন্য বাংলাদেশ রপ্তানি প্রক্রিয়াকরণ এলাকা কর্তৃপক্ষ অথবা বাংলাদেশ অর্থনৈতিক অঞ্চল কর্তৃপক্ষের নিকট হস্তান্তর বা দেশি বা বিদেশি বিনিয়োগকারীকে বরাদ্দ প্রদানের মাধ্যমে অর্জিত অর্থ কোন তফসিলি ব্যাংকে কর্তৃপক্ষের একটি পৃথক হিসাবে জমা হইবে।

(২) উপ-ধারা (১) এ উল্লিখিত অর্জিত অর্থ হইতে সংশ্লিষ্ট শিল্প বা প্রতিষ্ঠানের পূর্বের দায়-দেনা প্রচলিত আইন অনুযায়ী পরিশোধ করা হইবে এবং অবশিষ্ট অর্থ প্রজাতন্ত্রের সংযুক্ত তহবিলে জমা করিতে হইবে।

২৬। প্রতিষ্ঠান পরিচালনায় ব্যর্থতার কারণে হস্তান্তর প্রত্যার্ণ।—কোন সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠানের বরাদ্দ গ্রহীতা প্রতিষ্ঠানটি পরিচালনা করিতে ব্যর্থ হইলে দখলসহ উহার সকল ইউটিলিটি বিল পরিশোধ সাপেক্ষে প্রতিষ্ঠানটি সরকারের অনুকূলে প্রত্যার্ণ করিবে এবং উক্ত প্রতিষ্ঠানের সম্পদের কোন ক্ষয়-ক্ষতি হইলে বিধি অনুযায়ী সরকার উহা সমন্বয়পূর্বক চুক্তির শর্তানুসারে হস্তান্তরগ্রহীতাকে উহার মূল্য পরিশোধ করিবে।

২৭। চুক্তিপত্রের কোন শর্ত ভঙ্গ করিবার কারণে দখল গ্রহণ।—কোন সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠানের হস্তান্তর বা বরাদ্দ সংক্রান্ত চুক্তিপত্রের কোন শর্ত লঙ্ঘিত হইলে উক্ত চুক্তিপত্র অনুসারে সরকার বা কর্তৃপক্ষ প্রতিষ্ঠানটির দখল গ্রহণ করিতে এবং প্রয়োজনবোধে উক্ত চুক্তিপত্র এবং এতদসংশ্লিষ্ট অন্যান্য দলিল বাতিলসহ আইন অনুযায়ী যথাযথ ব্যবস্থা গ্রহণ করিতে পারিবে।

২৮। ক্ষমতা অর্পণ।—গভর্নিং বোর্ড লিখিত আদেশ দ্বারা, উহার যে কোন ক্ষমতা বা দায়িত্ব, নির্বাহী চেয়ারম্যান, নির্বাহী সদস্য, সচিব বা কোন কর্মকর্তাকে অর্পণ করিতে পারিবে।

২৯। কর্তৃপক্ষের তহবিল।—(১) কর্তৃপক্ষের একটি তহবিল থাকিবে এবং যাহাতে নিম্নবর্ণিত অর্থ জমা হইবে, যথা :—

(ক) সরকারের নিকট হইতে প্রাপ্ত অর্থ; এবং

(খ) কর্তৃপক্ষ কর্তৃক অন্য যে কোন উৎস হইতে প্রাপ্ত অর্থ।

(২) কর্তৃপক্ষের নামে তদকর্তৃক অনুমোদিত কোন তফসিলি ব্যাংকে উক্ত তহবিলের অর্থ জমা রাখা হইবে এবং বিধি দ্বারা নির্ধারিত পদ্ধতিতে উক্ত তহবিল হইতে অর্থ উত্তোলন করা যাইবে।

ব্যাখ্যা : এই আইনে “তফসিলি ব্যাংক” বলিতে Bangladesh Bank Order, 1972 (P.O. 127 of 1972) এর Article 2 এর clause (j) তে সংজ্ঞায়িত Scheduled Bank কে বুঝাইবে।

(৩) তহবিল হইতে কর্তৃপক্ষের সমুদয় ব্যয় নির্বাহ করা হইবে।

৩০। বাজেট।—কর্তৃপক্ষ প্রতি বৎসর সরকার কর্তৃক নির্দিষ্ট সময়ের মধ্যে পরবর্তী অর্থ-বৎসরের বার্ষিক বাজেট বিবরণী সরকারের নিকট পেশ করিবে এবং উহাতে উক্ত বৎসরে সরকারের নিকট হইতে কর্তৃপক্ষের কী পরিমাণ অর্থের প্রয়োজন হইবে উহার উল্লেখ থাকিবে, তবে কর্তৃপক্ষ এর পৌনঃপুনিক ব্যয় নির্বাহে ক্রমান্বয়ে নিজস্ব আয় বৃদ্ধির প্রচেষ্টা অব্যাহত রাখিবে।

৩১। হিসাব রক্ষণ ও নিরীক্ষা।—(১) কর্তৃপক্ষ যথাযথভাবে উহার হিসাব রক্ষণ করিবে এবং হিসাবের বার্ষিক বিবরণী প্রস্তুত করিবে।

(২) বাংলাদেশের মহা হিসাব-নিরীক্ষক ও নিয়ন্ত্রক, অতঃপর মহা হিসাব-নিরীক্ষক বলিয়া উল্লিখিত, প্রতি বৎসর কর্তৃপক্ষের হিসাব নিরীক্ষা করিবেন এবং নিরীক্ষা প্রতিবেদনের একটি করিয়া অনুলিপি সরকার ও কর্তৃপক্ষের নিকট পেশ করিবেন।



(৩) উপ-ধারা (২) এ উল্লিখিত নিরীক্ষা ছাড়াও Bangladesh Chartered Accountants Order, 1973 (P.O. No. 2 of 1973) এর Article 2(1)(b)তে সংজ্ঞায়িত চার্টার্ড একাউন্টেন্ট দ্বারা কর্তৃপক্ষের হিসাব নিরীক্ষা করা যাইবে এবং এতদুদ্দেশ্যে কর্তৃপক্ষ এক বা একাধিক চার্টার্ড একাউন্টেন্ট নিয়োগ করিতে পারিবে এবং এইরূপে নিয়োগকৃত চার্টার্ড একাউন্টেন্ট সরকার কর্তৃক নির্ধারিত পারিতোষিক প্রাপ্য হইবেন।

(৪) কর্তৃপক্ষের হিসাব নিরীক্ষার উদ্দেশ্যে মহা হিসাব-নিরীক্ষক বা তাহার নিকট হইতে ক্ষমতাপ্রাপ্ত কোন ব্যক্তি বা উপ-ধারা (৩) এর অধীন নিয়োগকৃত চার্টার্ড একাউন্টেন্ট কর্তৃপক্ষের সকল রেকর্ড, দলিল-দস্তাবেজ, বার্ষিক ব্যালেন্স সিট, নগদ বা ব্যাংকে গচ্ছিত অর্থ, জ্ঞানমানত, ভান্ডার এবং অন্যবিধ সম্পত্তি পরীক্ষা করিয়া দেখিতে পারিবেন এবং নির্বাহী চেয়ারম্যান, নির্বাহী সদস্য, সচিব অথবা কর্তৃপক্ষের যে কোন কর্মকর্তা বা কর্মচারীকে জিজ্ঞাসাবাদ করিতে পারিবেন।

৩২। প্রতিবেদন।—(১) কর্তৃপক্ষ প্রত্যেক অর্থ বৎসর সমাপ্ত হইবার পরবর্তী ৯০ (নব্বই) দিনের মধ্যে উক্ত বৎসরে তদ্বর্তক সম্পাদিত কার্যাবলির উপর একটি বার্ষিক প্রতিবেদন সরকারের নিকট পেশ করিবে।

(২) সরকার, প্রয়োজনে, কর্তৃপক্ষের নিকট হইতে উহার যে কোন বিষয়ের উপরে প্রতিবেদন বা বিবরণী তলব করিতে পারিবে এবং কর্তৃপক্ষ উহা সরকারের নিকট সরবরাহ করিতে বাধ্য থাকিবে।

৩৩। বিধি প্রণয়নের ক্ষমতা।—এই আইনের উদ্দেশ্য পূরণকল্পে সরকার, সরকারি গেজেটে প্রজ্ঞাপন দ্বারা, বিধি প্রণয়ন করিতে পারিবে।

৩৪। প্রবিধান প্রণয়নের ক্ষমতা।—এই আইনের উদ্দেশ্য পূরণকল্পে কর্তৃপক্ষ, সরকারের পূর্বানুমোদনক্রমে এবং সরকারি গেজেটে প্রজ্ঞাপন দ্বারা, প্রবিধান প্রণয়ন করিতে পারিবে।

৩৫। রহিতকরণ ও হেফাজত।—(১) এই আইন কার্যকর হইবার সঙ্গে সঙ্গে বিনিয়োগ বোর্ড আইন, ১৯৮৯ (১৯৮৯ সালের ১৭ নম্বর আইন) এবং বেসরকারিকরণ আইন, ২০০০ (২০০০ সালের ২৫ নম্বর আইন) রহিত হইয়া যাইবে এবং উক্ত রহিতকৃত দুইটি আইনের অধীন প্রতিষ্ঠিত যথাক্রমে, বিনিয়োগ বোর্ড এবং বেসরকারিকরণ কমিশন বিলুপ্ত হইয়া যাইবে।

(২) উপ-ধারা (১)-এর অধীন রহিতকরণ সত্ত্বেও উক্ত রহিতকৃত আইনের অধীন কৃত কোন কাজ বা গৃহীত কোন ব্যবস্থা বা সিদ্ধান্ত, প্রণীত বিধি, প্রবিধান বা নীতিমালা, ইস্যুকৃত কোন আদেশ, বিজ্ঞপ্তি বা প্রজ্ঞাপন, প্রদত্ত কোন অনুমোদনপত্র বা নোটিশ, নিবন্ধিত কোন শিল্প, সম্পাদিত হস্তান্তর দলিল বা চুক্তিপত্র, আস্থানকৃত কোন দরপত্র বা চলমান কোন কাজ এই আইনের অধীন কৃত, গৃহীত, প্রণীত, ইস্যুকৃত, প্রদত্ত, নিবন্ধিত, সম্পাদিত, আস্থানকৃত বা চলমান বলিয়া গণ্য হইবে:

তবে শর্ত থাকে যে, বেসরকারিকরণ আইন, ২০০০ (২০০০ সালের ২৫ নম্বর আইন) এর অধীন বেসরকারিকরণের জন্য নির্দিষ্টকৃত কোন সরকারি শিল্প বা বাণিজ্যিক প্রতিষ্ঠান এবং উহার অব্যবহৃত জমি বা স্থাপনা বেসরকারিকরণের পরিবর্তে অধিকতর উপযোগী অর্থনৈতিক কর্মকাণ্ডে ব্যবহারের জন্য বাংলাদেশ রপ্তানি প্রক্রিয়াকরণ এলাকা কর্তৃপক্ষ অথবা বাংলাদেশ অর্থনৈতিক অঞ্চল কর্তৃপক্ষের নিকট হস্তান্তর বা দেশি বা বিদেশি বিনিয়োগকারীকে বরাদ্দ প্রদান করা যাইবে।

(৩) এই আইন কার্যকর হইবার সঙ্গে সঙ্গে বিলুপ্ত বিনিয়োগ বোর্ড ও বেসরকারিকরণ কমিশনের—

- (ক) স্থাবর ও অস্থাবর সকল সম্পত্তি এবং উক্ত সম্পত্তিতে বা উহা হইতে উদ্ভূত অন্য সকল অধিকার ও স্বার্থ, নগদ ও ব্যাংকে গচ্ছিত অর্থ, বিনিয়োগ, সকল হিসাব বহি, রেকর্ড এবং অন্যান্য দলিল কর্তৃপক্ষের নিকট হস্তান্তরিত এবং উহার উপর ন্যস্ত হইবে;
- (খ) সকল ঋণ, দায় ও দায়িত্ব এবং উহার দ্বারা, উহার পক্ষে বা উহার সহিত সম্পাদিত সকল চুক্তি কর্তৃপক্ষের ঋণ, দায় ও দায়িত্ব এবং উহার দ্বারা, উহার পক্ষে বা উহার সহিত সম্পাদিত চুক্তি বলিয়া গণ্য হইবে;
- (গ) বিরুদ্ধে বা তদকর্তৃক দায়েরকৃত মামলা বা আইনগত কার্যধারা কর্তৃপক্ষের বিরুদ্ধে বা কর্তৃপক্ষ কর্তৃক দায়েরকৃত মামলা বা আইনগত কার্যধারা বলিয়া গণ্য হইবে এবং তদনুযায়ী উহা নিষ্পত্তি হইবে; এবং
- (ঘ) সকল কর্মকর্তা ও কর্মচারী কর্তৃপক্ষের কর্মকর্তা ও কর্মচারী বলিয়া গণ্য হইবেন এবং এই আইন প্রবর্তনের অব্যবহিত পূর্বে তাহারা যে শর্তে চাকরিতে নিয়োজিত ছিলেন, কর্তৃপক্ষ কর্তৃক পরিবর্তিত না হওয়া পর্যন্ত, সেই একই শর্তে নিয়োজিত থাকিবেন এবং এইক্ষেত্রে কোন বিরোধ দেখা দিলে সরকার প্রচলিত বিধান অনুসারে উহা নিষ্পত্তি করিবে, তবে সাংগঠনিক কাঠামো অনুমোদিত হইবার পূর্ব পর্যন্ত অন্তর্বর্তীকালীন ব্যবস্থায় তাহারা কর্তৃপক্ষে নিযুক্ত থাকিবেন এবং সাংগঠনিক কাঠামো অনুমোদিত হইবার পর কাঠামো অনুসারে তাহাদের নিয়োগ বা পদায়ন হইবে এবং নূতন প্রতিষ্ঠানের সাংগঠনিক কাঠামোর সঙ্গে কোন কর্মকর্তা বা কর্মচারী সঙ্গতিপূর্ণ না হইলে তাহার নিষ্পত্তি সরকারের উদ্ভূত কর্মকর্তা বা কর্মচারী সংক্রান্ত বিধানের আওতায় করা হইবে।

৩৬। ইংরেজিতে অনূদিত পাঠ প্রকাশ।—(১) এই আইন কার্যকর হইবার পর সরকার, সরকারি গেজেটে প্রজ্ঞাপন দ্বারা, এই আইনের মূল বাংলা পাঠের ইংরেজিতে অনূদিত একটি নির্ভরযোগ্য পাঠ (Authentic English Text) প্রকাশ করিবে।

(২) বাংলা ও ইংরেজি পাঠের মধ্যে বিরোধের ক্ষেত্রে বাংলা পাঠ প্রাধান্য পাইবে।

ড. মোঃ আবদুর রব হাওলাদার  
সিনিয়র সচিব।

মোঃ আব্দুল মালেক, উপপরিচালক, বাংলাদেশ সরকারি মুদ্রণালয়, তেজগাঁও, ঢাকা কর্তৃক মুদ্রিত।  
মোঃ আলমগীর হোসেন, উপপরিচালক, বাংলাদেশ ফরম ও প্রকাশনা অফিস,  
তেজগাঁও, ঢাকা কর্তৃক প্রকাশিত। website: www.bgpress.gov.bd