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Customs Tax Expenditure Report

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Abbreviations and Acronyms

ASYCUDA	Automated System for Customs Data
BDT	Bangladeshi Taka
CD	Capacity development
FAD	Fiscal Affairs Department
FY	Fiscal Year
GDP	Gross Domestic Product
HS Code	Harmonized System Code
IMF	International Monetary Fund
IRC	Import Registration Certificate
MT	Metric Ton
NBR	National Board of Revenue
PGC	Power Grid Company
SRO	Statutory Regulatory Order
TPU	Tax Policy Unit
TE	Tax Expenditures
TEA	Tax Expenditure Analysis
TEE	Tax Expenditure Estimates
WCO	World Customs Organization
WTO	World Trade Organization

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Preface

This report has been prepared as a part of the several revenue mobilization measures intended to be included in the FY 25 budget. This report provides a comprehensive analysis of tax expenditures related to customs duties, examining their objectives, aggregate number, sectorial division, and trends. It aims to lay the foundation for standard reporting practices for such endeavors in the future. By drawing on data from the Customs Automated System, this analysis seeks to elucidate the impact of tax expenditures on our tax system and economy, and to promote transparency and rationalization in the delivery of tax expenditures. The findings of this report will contribute to the ongoing discourse on tax policy and inform future efforts to optimize the use of tax expenditures to achieve public policy goals.

This report aims at discussing TEE for FY 2022-23. However, since this is the inaugural report on TEA, similar data were collected for FY 2021-22 and FY 2020-21 for the purpose of conducting comparative analysis.

Executive Summary

Overview of Tax Expenditures:

This report represents a pioneering effort to systematically analyze and quantify tax expenditures associated with customs duties in Bangladesh. Tax expenditures (TEs) refer to the revenue foregone due to preferential tax treatments, such as exemptions, deductions, credits, or deferrals, compared to a designated benchmark tax system (BTS). This analysis aims to establish a structured approach to reporting TEs, which will become a routine practice for the National Board of Revenue (NBR).

Chapter 1: Tax Expenditure - Concept and Standardizing Reporting Structure

This chapter provides a comprehensive introduction to tax expenditures, defining them as public expenditures administered via the tax system. The objectives of TEs include economic stimulus, equity and redistribution, policy implementation, simplification, efficiency, and behavioral incentives. The chapter highlights the significance of TEs in fiscal policy and public administration, emphasizing their impact on resource allocation and income distribution.

Furthermore, the chapter discusses global tax expenditure reporting practices, drawing insights from leading nations and regional peers. Countries like Canada, Germany, and the United States are identified for their exemplary practices in TE reporting, while the practices of regional peers such as India and Nepal are evaluated to understand the regional context.

Chapter 2: Understanding Import Tariffs and Tax Exemptions

This chapter delves into the legal framework and tariff structure in Bangladesh, detailing the various types of tariffs imposed at the import stage. These include Customs Duty (CD), Regulatory Duty (RD), Advance Income Tax, Supplementary Duty (SD), Value Added Tax (VAT), and Advance Tax (AT). Each tariff type is grounded in specific sections of the Customs Act 1969, the Value Added Tax and Supplementary Duty Act 2012, and the Income Tax Ordinance 1984.

The chapter also outlines the provisions of law for providing tax exemptions and discusses the tariff structure of Bangladesh. It includes a list of Customs Procedure Codes (CPCs) and their sectoral segregation for three years, providing a comprehensive view of the import tariff landscape.

Chapter 3: Establishing the Benchmark Tax System and Methodology

This chapter focuses on defining the Benchmark Tax System (BTS) for Bangladesh and developing a Tax Expenditure Inventory (TEI). It presents the methodology used for calculating Tax Expenditure Estimates (TEEs), including considerations before calculation and an overview of the data utilized.

The chapter includes detailed descriptions of the data sources and the calculation process for FY 2020-21, FY 2021-22, and FY 2022-23. The calculations reveal the aggregate tax expenditure amounts for various fiscal years, providing a basis for comparative analysis and future reporting.

Chapter 4: Analysis and Findings

This chapter presents a sectoral analysis of tax exemptions, highlighting the contributions of different sectors to the overall tax expenditures. The power sector emerges as the largest contributor, followed by capital machinery, specific manufacturing sectors, and others. The analysis includes a summary table indicating the tax exemption amounts and their percentage contributions for each sector across three fiscal years.

The chapter also discusses the implications of tax expenditures on the tax-to-GDP ratio and provides insights into the effectiveness of customs exemptions in promoting industrial growth and trade support.

Chapter 5: Recommendations and Conclusion

The final chapter offers recommendations for improving the precision and effectiveness of the NBR's tax expenditure estimates. It emphasizes the need for a structured approach to TE reporting and suggests measures to enhance transparency and rationalization in the delivery of tax expenditures.

The chapter concludes by reaffirming the importance of tax expenditure analysis in government program planning and policy implementation. It underscores the value of transparency in assessing the cost of tax provisions, enabling a sound cost-benefit evaluation and informed decision-making.

The comprehensive analysis presented in this report aims to lay the foundation for standard reporting practices in tax expenditure analysis in Bangladesh. By enhancing the precision and

transparency of TE estimates, the NBR seeks to optimize the use of tax expenditures to achieve public policy goals and promote economic development.

Chapter 1: Tax Expenditure: Concept and Standardizing Reporting Structure from Comparative Analysis of International Reporting Practices

1.1 What are Tax Expenditures:

Tax Expenditures (TEs) denote public expenditures administered via the tax system. They typically represent the revenue that is foregone due to preferential tax treatments, such as tax incentives, compared to a designated benchmark or reference tax system (BTS). The magnitude of TEs is contingent upon the specific definition of the reference tax system utilized. (Fenochietto et al. 2023, p 10)

1.2 The objective of tax expenditure:

Tax expenditures refer to revenue losses attributable to tax provisions that allow special exclusions, exemptions, deductions, credits, preferential rates, or deferrals.

The primary objectives of tax expenditures include:

1. Economic Stimulus: Tax expenditures can be used to stimulate economic activity by encouraging investment, consumption, and savings in specific sectors or activities (Burman & Phaup, 2011).
2. Equity and Redistribution: They aim to promote equity by redistributing resources to lower-income groups through targeted tax benefits, thereby reducing income inequality (Toder, 2013).
3. Policy Implementation: Tax expenditures are often designed to achieve specific policy goals, such as promoting homeownership, higher education, retirement savings, or renewable energy use (Joint Committee on Taxation, 2018).
4. Simplification and Efficiency: In some cases, tax expenditures simplify the tax code by replacing more complex direct expenditure programs with tax benefits, potentially increasing administrative efficiency (Surrey & McDaniel, 1985).

5. Behavioral Incentives: They can incentivize certain behaviors, such as charitable giving, through tax deductions and credits, aligning taxpayer behavior with broader social goals (Chetty, Friedman, & Saez, 2013).

These objectives reflect the multifaceted role of tax expenditures in economic and social policy, highlighting their importance in fiscal policy and public administration.

The economic impact of tax expenditures is substantial, affecting both the allocation of resources and the distribution of income. By offering targeted tax benefits, governments can influence private sector behavior in ways that direct spending programs might not achieve as effectively (Chetty, Friedman, & Saez, 2013). However, the effectiveness of these measures in achieving their intended outcomes is a topic of ongoing debate. Critics argue that tax expenditures often benefit higher-income individuals more than lower-income ones, thus exacerbating inequality rather than alleviating it (Surrey & McDaniel, 1985).

1.3 The purpose of tax expenditure estimation and reporting:

The TEEs and its reporting should serve the following objectives:

- TEEs are conducted to increase the transparency and accountability of the tax system. (Surrey & McDaniel, 1985)
- The Tax Expenditure Evaluation System (TEEs) affords the government the official framework to implement effective measures for enhanced control over tax expenditure and to evaluate the cost benefit of tax policies by comparing them with direct spending policies.
- The report will create awareness and is expected to be used by parliamentarians, relevant government and non-government organizations to conduct further related analysis.

1.4 Scope of the report:

Among the three wings of the National Board of Revenue, the Customs division is responsible for administering import-related issues. Consequently, this report focuses solely on tax exemptions associated with importation. Of the various duties applicable at the import stage, Advance Income Tax (AIT) and Advance Tax (AT) have been excluded while calculating TEE. AIT is managed by the Income Tax Wing of the NBR, while AT is adjustable upon submitting the VAT return. As previously mentioned, the TEE is conducted for the fiscal year 2022-23, as import data for the

fiscal year 2023-24 was not yet compiled during the composition period. However, both VAT and Supplementary Duty (SD) have been included in the calculation, as these taxes are integral to the overall customs revenue. The estimated tax exemption in this report is due to policy gap. The report does not incorporate tax exemptions due to compliance gap as their calculation is complex and beyond the scope of this analysis.

1.5 Types of measures for delivering tax expenditures

Tax expenditures, defined as deviations from the standard tax structure, are delivered through some policy measures. They include special exclusions, exemptions, deductions, credits, preferential rates, or deferrals etc. For example, in case of Bangladesh, most of the tax exemptions in case of customs duty are delivered in the form of exemptions or rate relief through issuance of Statutory Regulatory Orders (SRO) aimed at manufacturing sector or power generation sector, two of the pivotal sectors for the development of the economy of Bangladesh. These policy measures usually vary across countries and are adopted by countries according to their economic, social and political contexts.

One key reason for these variations in the use of policy measures is the unique socio-economic priorities and fiscal strategies of each country. For instance, developed countries often use tax expenditures to incentivize specific industries (e.g., renewable energy) or activities (e.g., research and development), aiming to foster economic growth and innovation (Bahl, Martinez-Vazquez, & Youngman, 2008). Conversely, developing countries may prioritize exemptions or reduced rates to encourage investment, alleviate poverty, or stimulate consumption among lower-income groups (Bird & Zolt, 2008).

Additionally, political considerations play a crucial role. Tax expenditure policies can be influenced by the lobbying efforts of interest groups and industries seeking favorable treatment. Political ideologies and the balance of power within government also shape the design and implementation of these policies (Mikesell, 2014).

Furthermore, historical and institutional factors contribute to the diversity of tax expenditure policies globally. Each country's tax system evolves over time based on its unique historical development, legal traditions, and administrative capabilities (Keen & Simone, 2004).

In conclusion, the variability in tax expenditure policies across countries reflects a complex interplay of economic objectives, political dynamics, and historical legacies. These policies are tailored to meet specific national goals while navigating the challenges of global economic integration and domestic resource mobilization.

Despite their widespread use, tax expenditures are frequently criticized for their lack of transparency and potential inefficiency in achieving policy goals (Toder, 2013).

1.6 Evaluating Global Tax Expenditure Reporting Practices: Insights from Leading Nations and Regional Peers

Tax expenditure analysis reports are crucial for understanding the fiscal impact of various tax policies, including customs duties. Though there are no universal agreed upon format for reporting such expenditures, an overall analysis on the customs-related sections of tax expenditure analysis reports from countries recognized for best practices (such as the United States, Australia, and Canada) and then comparing them with those from Bangladesh's neighboring countries (such as India, Nepal, Sri Lanka and Pakistan) may provide useful idea on what should be included in a standard report.

1.6.1 Countries with the best practices:

United States of America: The U.S. tax expenditure reports are prepared by the Office of Management and Budget (OMB) and the Joint Committee on Taxation (JCT). These reports follow a detailed and systematic approach, utilizing both the revenue forgone method and outlay equivalent method to estimate tax expenditures. The revenue forgone method estimates the revenue loss associated with each tax expenditure by comparing the current tax liability with and without the expenditure. The outlay equivalent method estimates what the government would need to spend to achieve the same economic effect as the tax expenditure. The reports include a comprehensive analysis of customs exemptions, preferential tariffs, and duty-free imports. Each item is quantified in terms of revenue impact, and detailed explanations are provided for each exemption. The analysis also includes historical data and future projections to assess trends and potential fiscal impacts. The reports are published annually with extensive data, accessible to the public, and include detailed breakdowns of each tax expenditure item. The reports discuss the rationale behind specific customs exemptions, their economic impact, and suggest potential reforms. The effectiveness is evaluated based on economic indicators, trade impacts, and

alignment with policy goals (Office of Management and Budget, 2023; Joint Committee on Taxation, 2023).

Australia: The Australian Treasury produces the annual Tax Expenditures Statement (TES), which follows a systematic approach focusing on transparency and detail. The TES uses the revenue forgone method to estimate the cost of tax expenditures. Tax expenditures are classified by type and sector, allowing for a clear understanding of where fiscal impacts occur. Australia's report includes detailed sections on customs duty concessions and exemptions, highlighting their fiscal impact and policy objectives. Each customs expenditure is described in detail, including the legal basis, beneficiaries, and estimated revenue loss. The TES is accessible to the public and provides comprehensive data on each tax expenditure item, including explanatory notes and methodological details. The effectiveness of customs-related tax expenditures is evaluated based on their economic impact, alignment with policy goals, and implications for trade and industry. Suggested reforms are discussed to enhance efficiency and equity (Australian Treasury, 2023).

Canada: The Canadian Department of Finance prepares “Federal Tax Expenditure Report” that follow a detailed and methodical approach. The report uses broad definition of the concept of tax expenditures. The benchmark tax system is characterized by only the most fundamental aspects of the tax system. It also provides information on a wide range of tax measures, including measures that may not be considered to be tax preferences. The reports utilize the revenue forgone method and occasionally the revenue gain method, which estimates the increase in revenue if the tax expenditure were eliminated. This method provides an alternative perspective by estimating the potential increase in revenue if certain tax expenditures were removed. The Canadian reports include comprehensive analysis of customs duty exemptions, preferential tariffs, and duty-free imports. Detailed descriptions of each item, including the legislative basis and fiscal impact, are provided. Historical data and future projections are also included to evaluate trends. Reports are published annually with extensive data, making them accessible and understandable for the public and policymakers. The level of detail is comparable to that of the U.S. and Australia. The effectiveness of customs-related tax expenditures is discussed in terms of economic benefits, trade impacts, and policy alignment. The analysis often includes recommendations for improving efficiency and targeting (Department of Finance Canada, 2023).

1.6.2 Regional peers of Bangladesh:

India: India's tax expenditure reports, prepared by the Ministry of Finance, offer an overview of various tax concessions, including customs duties. The methodology primarily employs the revenue forgone method, though the level of detail and systematic analysis can vary. Though the report explicitly does not discuss benchmark tax system, it effectively uses existing tax system as benchmark. The Revenue Forgone Method is used to estimate the revenue impact of various tax expenditures, including customs duties. The analysis includes summaries of customs duty exemptions, preferential tariffs, and sector-specific incentives. The depth of analysis may vary, with some items being described in greater detail than others. Reports are published annually, but the depth of analysis and data presentation is less extensive compared to best practice countries. The data is often summarized rather than detailed. The effectiveness of customs exemptions is discussed broadly, focusing on industrial growth and trade support. Detailed evaluations and recommendations are less common. No estimate of tax expenditure or revenue foregone in the report. The estimates and projections intended to indicate potential revenue gain in case of removal of tax preference. (Ministry of Finance, India, 2023).

Nepal: Nepal's tax expenditure analysis is less systematic, providing overviews of tax expenditures, including customs, but lacks standardization. The revenue forgone method is used but not consistently applied. The methodology lacks the rigorous detail seen in best practice countries. The report includes general information on customs exemptions and concessions, with limited detailed analysis. Specific revenue impacts and detailed descriptions are often missing. Transparency is relatively low, with less detailed data and limited public accessibility. Reports are published but lack comprehensive detail. The effectiveness of customs-related tax expenditures is not thoroughly evaluated, focusing primarily on trade facilitation and revenue impact (Ministry of Finance, Nepal, 2023).

Sri Lanka: Sri Lanka's approach to tax expenditure analysis is evolving, with efforts to improve the systematic analysis of tax expenditures. The Ministry of Finance includes customs in its broader tax expenditure reports. Efforts are being made to standardize the methodology and improve detail. The report provides some details on customs duty exemptions and concessions but lacks comprehensiveness. The analysis is not as detailed as in best practice countries. The report is moderately transparent with some data provided, but not as detailed or accessible as in the best

practice countries. The effectiveness of customs exemptions is discussed in general terms, focusing on trade facilitation and economic growth without detailed evaluation (Ministry of Finance, Sri Lanka, 2023).

Pakistan: Federal Board of Revenue of Pakistan publishes a tax expenditure report annually. This report uses the standard “Revenue Forgone” methodology to estimate the tax expenditure under the Customs laws in Pakistan. This approach quantifies the direct ex-post revenue loss associated with the provisions relative to the statutory tax rates. Customs Duty expenditure is calculated based on the legal provisions under the Customs Act 1969, and statutory instruments through which exemptions/concessions are granted to imported goods. Statutory rates of customs duty relevant to FY 2022-23 are taken as the benchmark rates. As findings, the report provides a clear breakup under different tax regimes with their respective share of GDP and FBR’s total collection. The report also provides analysis of the trend of tax expenditure over years with specific contributions from major sectors. (Federal Board of Revenue, 2023)

From the above discussion, it is evident that a typical structure of Tax Expenditure Reports (TERs) should include, at a minimum:

- Definitions of Tax Expenditures (TEs) and Benchmark Tax System (BTS), specifying the taxes covered and their primary characteristics.
- It should include the overall estimate of TEs and total TEs categorized by tax. Additionally, it should feature a summary of the Tax Expenditure Inventory (TEI), including the number of TEs for each tax and their categories.
- Individual chapters dedicated to major taxes, typically Value Added Tax (VAT), Corporate Income Tax (CIT), and Personal Income Tax (PIT), with separate chapters for other taxes like excises and property taxes. Each chapter mirrors the content of the summary, detailing the BTS for the tax in question and presenting a table disaggregating total TEs by component.
- Appendices containing supplementary information, such as potential revenue mobilization measures and a detailed Tax Expenditure Inventory (TEI). If extensive, the appendices may focus on the most significant TEs per tax category.

Chapter 2: Understanding Import Tariffs and Tax Exemptions: Legal Framework and Tariff Structure in Bangladesh

There are six types of tariffs that are imposed while importing any goods into the territory of Bangladesh. These tariffs are legally grounded in three principal laws: the Customs Act, 1969 (Act No. IV of 1969), the Value Added Tax and Supplementary Duty Act, 2012 (Act No. 47 of 2012), and the Income Tax Ordinance, 1984 (Ordinance No. XXXVI of 1984). An overview of the legal provisions from which these tariffs originate may provide a clearer understanding of the tariff structure in Bangladesh.

2.1 Types of tariffs imposed at import stage in Bangladesh and Relevant sections of law and rule:

2.1.1 Customs Duty (CD): Section 18(1) of Customs Act, 1969:

Except as further on in the law provided, customs duties shall be levied at such rates as are prescribed in the First Schedule of the Customs Act, 1969 (Act No. IV of 1969) or under any other law for the time being in force on goods imported into or exported from Bangladesh; goods brought from any foreign country to any customs station and, without payment of duty there, transshipped or transported for, or thence carried to, and imported at, any other customs station; and goods brought in bond from one customs station to another. Provided that no customs duty and regulatory duty under this Act or any other tax leviable under any other law for the time being in force shall, subject to such conditions, limitations, or restrictions as the Board may, from time to time, by notification in the official Gazette, impose, be levied or collected in respect thereof, if the value of the goods for assessment purposes in any one consignment does not exceed two thousand taka.

There were 6 (six) slabs of Customs Duty rates (0%, 1%, 5%, 10%, 15% and 25%) for FY 2022-23.

2.1.2. Regulatory Duty (RD): Section 18(2) of Customs Act, 1969:

The Government may, by notification in the official Gazette, levy a regulatory duty on all or any of the goods specified in the First Schedule, subject to conditions, limitations, or restrictions as deemed appropriate. This duty shall not exceed two times the highest rate of customs duty specified in the said Schedule i.e. the rate of regulatory duty on any such goods may be higher than the customs duty prescribed in the Schedule, provided it does not exceed two times the highest rate of

customs duty. The regulatory duty levied under subsection (2) shall be in addition to any duty imposed under subsection (1) or any other law currently in force. Furthermore, any notification issued under subsection (2) shall, unless rescinded earlier, stand rescinded at the end of the financial year in which it was issued.

Usually, RD is levied on at a flat rate of 3% of assessable value for those items where Statutory rate of customs duty (CD) is 25%. List of HS Codes on which any rate of RD other than 3% is leviable is mentioned in table in the same SRO. There were 7 (seven) slabs of RD rates (5%, 10%, 15%, 20%, 25%, 30%, 35%) for FY 2022-23. However, there is a list in the same SRO which contains references to some rules, notifications, some items imported on special purposes or by agencies and some HS Codes of products on which RD will not be leviable under any circumstances.

2.1.3 Advance Income Tax:

Advance Income Tax (AIT) is imposed under Rule 17A of the Income Tax Ordinance, 1984, at a standard rate of 5%. Additional AIT rates include 1%, 2%, 3%, and 20%, with certain levies assessed by Specific Duty, such as Taka 500 per ton on assessable value. Exemptions are granted as per SRO No. 155-Law/Income Tax/2022, dated 01 June 2022.

2.1.4 Supplementary Duty (SD):

According to section 55 of The Value Added Tax and Supplementary Duty Act, 2012 (Act No. 47 of 2012), Supplementary duty is imposable and payable on the import of goods, the supply of goods manufactured in Bangladesh, and the supply of services rendered in Bangladesh if they are subject to supplementary duty within the country. However, according to sub-section (2), no supplementary duty shall be imposed on an import of a good subject to supplementary duty if such a good is imported for export and not for home consumption. Furthermore, as per sub-section (3), no supplementary duty shall be imposed on the supply of goods or services that are zero-rated under the Second part of the First Schedule of this Act.

The amount of payable supplementary duty shall be determined in two ways: (a) if a rate of supplementary duty is specified for the goods or services in column (4) of the first part of Second Schedule, the amount is calculated by multiplying the dutiable value of the goods or services by that rate, or (b) if a specific amount of supplementary duty is specified against a good or service

in column (4) of the Second Schedule, then that specified amount is the supplementary duty payable.

Supplementary duties are typically applied to goods and services that are generally intended for luxury or to discourage their consumption.

Under section 57 of The Value Added Tax and Supplementary Duty Act, 2012, for the purposes of imposing supplementary duty, the value of the goods or services subject to supplementary duty shall be determined as follows:

In relation to an imported good subject to supplementary duty, the value is calculated by adding customs duty and regulatory duty (if any) to the value on which customs duty is leviable under section 25 or 25(a) of the Customs Act.

according to the section 62 of VAT Act, any person importing a good subject to supplementary duty may, within the prescribed time and manner, make a decreasing adjustment for the supplementary duty paid on the import if the good complies with the conditions of a drawback of duties under the Customs Act.

There were 12 (twelve) slabs of supplementary duty rates (10%, 20%, 30%, 45%, 60%, 100%, 150%, 200%, 250%, 300%, 350% and 500%) for FY 2022-23.

2.1.5 Value Added Tax (VAT):

According to section 15 of The Value Added Tax and Supplementary Duty Act, 2012 (Act No. 47 of 2012), value added tax (VAT) is imposed and payable on the taxable import and taxable supply. The payable amount of VAT shall be assessed and determined by multiplying the VAT rate (15% as specified in sub-section (3)) with the value of the taxable import or taxable supply.

Under section 28 of the VAT Act, the value of a taxable import is calculated by summing the value of the goods as determined under the Customs Act for import duty purposes, along with any applicable amounts of customs duty, supplementary duty, or other taxes payable on the import of the goods, excluding VAT and advance income tax.

2.1.6 Advance Tax (AT):

According to section 15 of The Value Added Tax and Supplementary Duty Act, 2012 (Act No. 47 of 2012), every registered person, or a person required to be registered, or an enlisted person who makes a taxable import for their economic activities must make an advance payment of VAT or turnover tax on the supply of their imported goods at the rate of 5% (specified in sub-section (2)). Furthermore, every registered or enlisted importer who has paid the advance tax may claim a decreasing adjustment equal to the amount paid as advance tax in the prescribed manner in their tax return for the related tax period. For individuals who have paid the advance tax but are neither registered nor enlisted, they may apply to the Commissioner for a refund of the advance tax in the prescribed manner.

2.1.7 Specific duty:

In accordance with the first schedule of the Customs Act, 1969, specific duty is imposed on certain products instead of ad valorem duty. Specific duty is applicable to the import of cane sugar, refined sugar, cement clinker, petroleum bitumen, and select items under Chapter 98. This imposition generally aims to simplify the assessment of goods, ensure revenue stability, and maintain stable prices on the supply side.

2.2 Provisions of Law for providing Tax Exemption:

2.2.1 General power to exempt from Customs Duties: Section 19 of customs act:

Exceptions to tariffs leviable at import stage are made through statutory regulatory orders (SRO) issued by the Government after consultation with the NBR under sub-section (1) of section 19 of Customs Act, 1969. These SROs are usually issued in public interest and circulated by notification in the official gazette aimed for the purpose of facilitating a particular manufacturing sector or situation or privileged organization or person. If an exemption under this subsection is granted for any goods in a financial year, the duty rate for those goods cannot be increased more than once during that year. An exemption granted under these SROs is effective from the date mentioned in the notification. Many of the SROs are usually in effect for a stipulated time as mentioned in the SROs.

2.2.2 Government's power to grant exemption from duty in exceptional circumstances: Section 20 of customs act:

If the Government determines that it is necessary in the public interest, it may, under exceptional circumstances, exempt any goods from the payment of all or part of the applicable customs duties. This exemption is subject to conditions, limitations, or restrictions as deemed appropriate, and must be documented by a special order detailing the circumstances of each case.

2.2.3 Board's power to make rules to provide exemption from Income tax: section 185 of ordinance

Section 185 (1) of the Income Tax Ordinance, 1984 authorizes the Board, by notification in the official gazette, may promulgate rules to facilitate the implementation of this Ordinance. In addition to the broad authority previously mentioned, Section 185 (2) states that the rules may specifically address any or all of the following matters without limiting the general scope of that authority; the procedure for granting income exemptions to industrial undertakings or tourist industries, as well as any related or incidental matters; the procedure for, and any other matter connected with or incidental to, the issue of exemption certificate or tax clearance certificate under section 107; (h) the procedure to be followed on application for refund.

2.2.4 Exempted supplies or exempted imports: section 26 of VAT and SD act, 2012

Under section 26 of the VAT Act, any import listed in the first schedule of the act shall be exempted from VAT. The list of exempted supplies is being given in the second part of First Schedule of the act.

2.2.5 Tax exemptions by the government: section 126 of VAT and SD act, 2012

The Government may, by notification in the official Gazette, exempt, either in whole or in part, the taxes imposable under the of VAT and SD act, if an urgent situation of national importance arises, for a specified period until the next Finance Act takes effect. However, if the exemption granted under this provision is not included in the next Finance Act, it shall automatically become ineffective.

In relation to an international assistance and loan agreement, if such an agreement includes a provision for the exemption of any tax, either in part or in full, on an import or a supply under the agreement, the Government may, by notification in the official Gazette, exempt such tax or a part thereof imposable under this Act.

(a) In the case of an import: the import shall be exempted, and such exemption shall be made effective; and

(b) In the case of a supply: the exemption shall be made effective by providing a refund under section 71 without exempting such supply or the person to whom such supply is made.

2.3 Discussion on the tariff structure of Bangladesh

As previously discussed, the tariff regime of Bangladesh is complex due to the imposition of multiple duties and taxes in addition to customs duty. These additional charges include Supplementary Duty (SD), Regulatory Duty (RD), Value Added Tax (VAT), Advance Tax (AT), and Advance Income Tax (AIT).

For FY 2022-23, the National Tariff Line consists of 7541 HS lines. Total Tax Incidences (TTI) for each line varies from 0% to 1021% with average tariff rate of 10.9% (World bank tariff table, 2021) higher than most of its comparators.

Customs Duty is imposed from 0% to a maximum of 25% ad valorem while very few of goods have specific duties such as:

Table 01: Some HS Codes with Specific Customs Duty

HS CODE	Description	Specific Customs Duty
9801.00.90	Goods treated as "Baggage"	300
7204.21.00	Waste and scrap of stainless steel	500
7203.10.00	Ferrous Products Obtained By Direct Reduction Of Iron Ore	800
7201.10.00	Non-Alloy Pig Iron Containing, =<0.5% Phosphorus, In Pigs, Blocks	1000
7204.10.00	Waste and scrap of cast iron	1500
7108.12.90	Unwrought Gold (Incl. Gold Plated With Platinum), Non-Monetary	2000

VAT is imposed at 0% or 15% on imported goods. Currently, VAT is imposed on 6650 HS lines out of the 7541 HS Lines in the National Tariff Lines which account for 88% of the total HS Lines.

While VAT, AT, and AIT are considered trade neutral as they are adjusted during the final submission of VAT and Income Tax returns, RD and SD are imposed solely on imports. The imposition of SD and RD not only increases revenue collection but also provides protection to domestic industries. However, these duties can sometimes overburden the domestic industry when applied to intermediate goods essential for production.

Currently, RD is imposed on 3,565 HS lines out of the 7,541 HS lines in the National Tariff Lines, accounting for 47% of the total HS lines. The rates of RD range from 3% to 35%. A preliminary analysis of import data from July to March of FY 2022-23, available from ASYCUDA World, indicates that only 279 HS lines account for 95% of the revenue collected from RD, with many intermediate products being subject to RD.

On the other hand, SD is imposed on 1,926 HS lines out of the 7,611 HS lines in the National Tariff Lines, which accounts for 26% of the total HS lines, with most HS lines subject to a 20% SD. It was found that 154 HS lines account for more than 85% of the revenue collected from SD. (Report of Study group on Tariff Rationalization, 2023).

The existing tariff structure of Bangladesh is based on a cascading principle. The cascading principle of tariff refers to the practice where tariffs are structured in such a way that higher duties are imposed on finished products compared to raw materials and intermediate goods. This principle aims to protect domestic industries by making imported finished goods more expensive, thus encouraging local production of finished goods from imported raw materials and intermediate goods.

In the context of Bangladesh, the tariff structure reflects the cascading principle to a certain extent. The country imposes lower tariffs on raw materials and intermediate goods to support domestic manufacturing, while higher tariffs are levied on finished goods to protect local industries. However, the application of this principle in Bangladesh has some complexities and inconsistencies.

By imposing higher tariffs on finished goods, Bangladesh aims to protect its nascent industries from international competition. This approach encourages the local production of finished goods,

providing a competitive edge to domestic manufacturers (Rahman & Ara, 2021). Higher tariffs on finished goods also contribute significantly to government revenue. However, this can lead to higher production costs for industries that rely on imported intermediate goods, potentially offsetting the benefits of tariff protection (World Bank, 2020). While the cascading tariff structure supports domestic industries, it can also create inefficiencies. For example, high tariffs on intermediate goods essential for production can increase the cost of locally produced finished goods, making them less competitive in international markets. This has been a concern in Bangladesh, where certain intermediate goods are subject to higher tariffs, leading to increased production costs for local manufacturers (UNCTAD, 2019).

2.4 List of CPCs and their sectorial segregation (for three years)

Like many others, Bangladesh Customs uses Customs Procedure Code (CPC) to manage the clearance of goods, ensuring compliance with customs regulations, and facilitating international trade. A Customs Procedure Code (CPC) is a systematic coding used in customs declarations to identify the nature and type of customs procedures under which goods are being imported or exported.

The CPC specifies the customs procedures to which goods are subjected. This includes import, export, transit, warehousing, and temporary admission procedures (World Customs Organization, 2018). CPCs help simplify and standardize customs processes by providing a consistent method for declaring the status and intended use of goods. This reduces errors and speeds up the clearance process (European Commission, 2021). By clearly defining the customs procedures, CPCs facilitate smoother and faster trade operations. They ensure that all necessary documentation and compliance measures are met before goods are moved across borders (UNCTAD, 2013). CPCs enable customs authorities to collect and analyze data on the movement of goods. This helps in monitoring trade flows, identifying trends, and making informed policy decisions (WCO, 2018). Using CPCs ensures that traders comply with various customs regulations and requirements, thus minimizing the risk of legal issues and penalties (European Commission, 2021).

In Bangladesh, while submitting a bill of entry for customs clearance, an importer or a clearing and forwarding agent (C&F) must mention in the designated field the appropriate CPC in order to avail concessionary benefits on the importation of goods. Importation without CPC or general import will show “000” in the designated field. There are around 203 CPC currently active in the

ASYCUDA World System. Each CPC represents a combination of rate of duties particularly applicable for a sector. The list of CPCs was rearranged by NBR in 2022 and currently there are 09 (Nine) such sectors. The list is as follows:

Table 02: Customs Procedure Code with Marks

Customs Procedure Code (CPC)		Mark
1	Capital Machinery	(C)
2	Industrial Raw Materials	(R)
3	Industrial Sector	(A)
4	Government Project and industries in different Economic zone	(G)
5	General Order issued by NBR	(N)
6	Special Exemption (person / organization)	(S)
7	Exemption of VAT and AT	(V)
8	AIT Exemption by Income Tax Wing	(T)
9	Miscellaneous	(M)
10	General Import	(000)

All the CPCs have their legal roots either in any SRO or in any order issued by the NBR. The complete list of CPCs with relevant SRO / order can be found at Annex 01.

As evidenced by the above table, the current segregation of Customs Procedure Codes (CPCs) is based on Marks, with each mark corresponding to a particular sector. However, this method of segregation proves inadequate for tax expenditure analysis and estimation. As indicated in Annex 01, many CPCs could be more accurately assigned to specific sectors rather than generic categories such as "Industrial." The objective is to reorganize the CPCs into sectors that align with the intended purpose of their underlying Statutory Regulatory Orders (SROs). This reorganization would allow for a more concentrated analysis across different sectors and facilitate the quantification of exemption amounts at a macro level. Following this tax expenditure estimate, it would be possible to determine the extent of exemptions enjoyed by each sector. Subsequently, we could assess whether these exemptions are sufficient, examine the trends in exemptions, and

explore potential methods for rationalizing these exemptions. Based on this approach, a revised sectoral segregation is presented in the following table.

Table 03: List of CPC according to Sector

Sl No.	Name of the sector	CPCs
1	Capital machinery	C11 – C20, C22-C23
2	Agricultural sector	C24, A27, A30-A32, A42-A43, A48-A50, V26, M34
3	Industrial raw material	R11-R16, A44, A47, S37,
4	Health sector	A11-13, A15-A18, A54
5	Specific Manufacturing sector	A20-A26, A28-A29, A33-A34, A37-A38, A41, A45-A46, A51-A53, A56-A57, A59, A62-A64, G24, S22-S26, S28-S33, V13-V21, V23-V25, A55, A61, A65-A70
6	Power sector	G11-G16, N14-N15, M23
7	BEPZA, BEZA, Hi tech park authority	G17-20, G23, G25
8	Other Government import	N21, M13-14,
9	Defense sector	N20, S14
10	Import by privileged person/organization	S11-13, S15-17
11	NBR General Order	N11-N12, N16-N19, N22-23, N25-26
12	Miscellaneous	A35-A36, A39-40, G21-22, S18-21, S36, V11-12, M11-M12, M15-19, M21-22, M24-25, M28, M32, M38

Chapter 3: Establishing the Benchmark Tax System, Inventory, Methodology, Considerations, and Data Overview

3.1 The definition of Benchmark Tax System (BTS) for Bangladesh:

In essence, the BTS embodies a tax system rooted in key principles of neutrality, efficiency, and equity (IMF, TE reporting and its use in fiscal management, page2). However, due to varying perspectives among countries on these principles and their weights, benchmark tax systems are often defined differently in different countries. Moreover, many countries do not explicitly define a BTS, notably affecting the transparency of their TEEs. Despite these facts, the system should be limited to the key features of the main taxes.

The benchmark treatment dictates that imported goods are subject to the same consumption taxes as domestically produced goods, thereby exempting them from customs duties, except for excise-equivalent customs duties. Consequently, countries such as Australia regard the imposition of customs duties as a negative tax expenditure. Conversely, many developing countries view customs duties as a vital revenue source. In these instances, the standard customs tariff rate applicable to a commodity, based on its Harmonized System (HS) code, should be included as part of the Benchmark Tax System (BTS). (world bank, 2024)

It is recommended for Corporate Income Tax (CIT) and VAT that the BTS should be a single rate. However, for tariffs, a uniform tariff on all imported goods may not be an appropriate benchmark. Rather, the benchmark system could be the statutory rates as have been stipulated by relevant laws and mentioned in Statutory Regulatory Orders (SRO) applicable for each of the HS codes for a particular fiscal year. Thus, tax expenditures will arise if some importers are charged lower tariffs for similar goods (for example, goods imported by international aid agencies or major public works contractors) or higher tariffs, in which case there is a negative tax expenditure.

Moreover, bilateral or multilateral agreements (for example, free trade agreements) could be considered as part of the benchmark system. In that case, a tax expenditure arises only if a lower tariff rate applies to the same category of imports from the same origin. Countries that are signatories to international agreements, such as the Vienna Conventions, the Chicago Convention, the Florence Agreement, and the Nairobi Protocol, commonly provide customs duty exemptions. These agreements often take precedence over national legislation, limiting the jurisdiction or

authority of national policymakers to impose taxes on the activities covered by such agreements (Geourjon et al., 2019). Consequently, deviations from the standard customs tariff rate mandated by international agreements should be recognized as structural relief.

In case of Bangladesh, considering the practical circumstances and the Statutory rates of Customs Duty (CD), Regulatory Duty (RD), Value Added Tax (VAT), Supplementary Duty (SD) can be considered as benchmark rates.

The Statutory rates for FY 2022-23 along with their legal sources are as follows:

Table 04: The Statutory rates for FY 2022-23

Sl No.	Type of Duty	Statutory Rate	Source
1	Customs Duty (CD)	0%, 1%, 5%, 10%, 15% and 25%	First Schedule of the Customs Act, 1969
2	Regulatory Duty (RD),	flat rate of 3% of assessable value where Statutory rate of customs duty (CD) is 25%. Other rates are 5%, 10%, 15%, 20%, 25%, 30%, 35%	SRO no. 130-AIN/2022/78/Customs, date: 09/06/2022
3	Value Added Tax (VAT)	0% or 15%	Section 15 for imposition, Section 126 for issuance of SROs to grant exemption,

			first schedule of Value Added Tax and Supplementary Duty Act, 2012 for granting exemption at all levels
4	Supplementary Duty (SD)	10%, 20%, 30%, 45%, 60%, 100%, 150%, 200%, 250%, 300%, 350% and 500%	First part of the Second Schedule of VAT and SD Act, 2012

3.2 Tax Expenditure Inventory (TEI)

One of the key elements of a Tax Expenditure is to create an inventory of the Tax Expenditures. This is done after the BTS has been defined. The purpose of creating a TEI is to identify deviations from the BTS according to various dimensions. For the following table, only the two major SRO have been put into TEI, a detailed list covering all dimensions can be found at annex 01.

Table 05: Tax Expenditure Inventory

Dimension	Description and guidance
Capital Machinery	CD 1% applicable with all other duties exempted for the importation of machinery or parts
Who are the beneficiaries	Both Industrial IRC VAT Compliant Manufacturers and VAT Compliant Importers
How the concession is provided	Through CPC
Legal reference	SRO no. 75-AIN/2022/60/Customs, date: 10/04/2022
Type of measure	preferential tax rate
Industrial Raw Materials	Concessionary rate of CD and SD applicable according to table mentioned in the SRO. RD exempted for the importation of raw material
Who are the beneficiaries	Only Industrial IRC VAT Compliant Manufacturers

How the concession is provided	Through CPC
Legal reference	SRO no. 119-AIN/2022/67/Customs, date: 01/06/2022
Type of measure	preferential tax rate

3.3 Methodology

There are three methodologies as described in Fenochietto et al. (2023, p.18) to estimate TEs

- i. Initial revenue loss (or revenue foregone method): the amount by which tax revenue is reduced because of a TE, under the assumption of unchanged behavior of taxpayers and consumers.
- ii. Final revenue loss: the amount by which tax revenue is reduced because of a TE, considering the change in behavior of taxpayers and consumers and the effects on revenue from other taxes.
- iii. Outlay equivalence: the amount of the direct expenditure that would be required to achieve the same effect on taxpayers incomes as the TE.

Out of the three methods, ‘The Initial Revenue Loss’ or ‘Revenue Foregone’ method has been applied to estimate TEs since this method is relatively easy to comprehend and does not require sophisticated models to execute.

Tax expenditures for customs duty are estimated based on the “Paid” Bill of entry (Goods Declaration data) extracted from the ASYCUDA World System. The following steps were involved in calculation:

- Data includes Customs Duty, Regulatory Duty, Supplementary Duty, VAT
- The description of CPC, quantity (MT), value (USD) and exempted revenue under each CPC is calculated.
- While applying CPC against an item during submission of Bill of Entry, the ASYCUDA World System calculates the provisional exempted revenue based on the declaration. This calculation of exempted revenue is finalized after completion of the customs assessment.
- For the compilation of the report, these exempted revenue for each CPC have been extracted.

3.4 Considerations before calculating TEEs:

the following considerations were made while calculating the TEEs:

- AIT and AT are excluded: as stated previously, AIT is imposed by Income Tax law and is managed by Income Tax Wing under NBR. The revenue earned at import stage through AIT imposition is not considered as a part of customs revenue. Therefore, it can be better analyzed if covered by the tax expenditure analysis conducted by Income Tax Wing. Though AT is levied at import stage at different rates, it is adjusted at the domestic level and therefore is excluded from the estimate.
- Duty draw back is excluded: Draw-back systems (like the duty draw-back for RMG exporters in Bangladesh) to refund tariffs on inputs to exporters to allow exports to compete free of taxes in international markets has been excluded from the BTS.
- Chapter 99 of Bangladesh Customs Tariff is an exception to regular tariff rates and is being considered for calculation of tax expenditures.
- This TEE excludes Excise duty because it is too insignificant compared to the total tax. For example, the government's excise duty collection was Tk. 32.77 billion in 2020-21, which was 1.09 percent of the total tax.
- Many instances can be found in the tariff schedule where the same product is subjected to a lower import duty considering its use in industrial sector or for other reasons. For example, in BCT 2022-23, heat pump is subjected to 1% CD when used in industrial sector (HS Code 8418.61.10) while the same products is levied at 25% (HS Code 8418.61.90) when used otherwise. Since such instances occurred through national split of HS code and not being included into any CPC. Consequently, estimating the revenue loss from such instances necessitates listing each instance across the schedule, which is a complex task. To simplify this process, expenditures stemming from national split of HS code have been disregarded.
- NBR has stipulated the tariff or minimum import value for some of the goods. While this practice is utterly contradictory to WTO's Valuation Agreement, NBR has continued such practice as a part of the concessions entitled to Bangladesh for being an LDC. Since, these 'fixed' values are mostly not equal to transaction values, therefore they will give rise to

either tax expenditures or negative tax expenditures. However, this is also being ignored while calculating TEEs.

3.5 Data Overview and Tax Expenditure Estimate

3.5.1 Description of Data:

While calculating TEEs, many of the developing and emerging market economies struggle to account for tax expenditures because of lack of quality of data. However, since Bangladesh has been using ASYCUDA platform since 1993, data constraint is not an issue here.

This report aims at discussing TEE for FY 2022-23. However, since this is the inaugural report on TEA, similar data were collected for FY 2021-22 and FY 2020-21 for the purpose of conducting comparative analysis.

The data is presented in two separate tables, details can be found in **Annex 2 -5**.

Annex 2 contains import data against all the CPCs currently active in ASYCUDA World system. Each CPC related import data contains quantity of import in Metric Ton, value in BDT and amount of exemption in BDT. For sectorial analysis, efforts were made to organize the CPCs into several sectors as deemed appropriate depending on the beneficiary of the exemptions

Annex 3-5 contains list of 20 CPCs with highest tax exemptions on a year-by-year basis irrespective of any sector. This selection of CPCs will provide the opportunity to take a micro-level look at the major contributors to total exemption amount and thus may open up the window for further evaluate their effectiveness and assess whether it is justified to maintain these measures in their current form.

3.5.2 Calculation:

Detailed calculation for FY 2020-21, FY 2021-22 and FY 2022-23 can be found at annex2. The summary of the calculation is presented as follows:

Table 06: Summary of Tax Expenditure Amount according to Fiscal Year

Sector	Tax Expenditure Amount (in Crore Taka)		
	2020-21	2021-22	2022-23
Capital machinery	4524	5631	5968
Agricultural sector	94	119	2642*
Industrial raw material	1867	3084	4507
Health sector	378	501	475
Specific Manufacturing sector	4038	5566	5654
Power sector	6256	8622	6914
BEPZA, BEZA, Hi tech park authority	5	23	109
Other Government import	-	-	-
Defense sector	3906	1508	4590
Import by privileged person/organization	604	742	1308
NBR General Order	458	499	701
Miscellaneous	873	1929	861
	23003	28224	33729

*Exemption given on Rice import

Chapter 4: Analysis and Findings

4.1. Sectorial Analysis of exemptions:

A summary of the Annex2 is presented in the following Table.

Table 07: Tax Exemption according to sector with percentage contribution

Sl No.	Name of sector	Amount of Exemptions (in thousand Cr.)					
		2020-21	%	2021-22	%	2022-23	%
1	Power sector	6256	27.20	8622	30.55	6914	20.50
2	Capital machinery	4524	19.67	5631	19.95	5968	17.69
3	Specific Manufacturing sector	4038	17.55	5566	19.72	5654	16.76
4	Defense sector	3906	16.98	1508	5.34	4590	13.61
5	Industrial raw material	1867	8.12	3084	10.93	4507	13.36
6	Agricultural sector	94	0.41	119	0.42	2642*	7.83
7	Import by privileged person/organization	604	2.63	742	2.63	1308	3.88
8	NBR General Order	458	1.99	499	1.77	701	2.08
9	Health sector	378	1.64	501	1.78	475	1.41
10	BEPZA, BEZA, Hi tech park authority	5	0.02	23	0.08	109	0.32
11	Other Government import	-	0.00	-	0.00	-	0.00
12	Miscellaneous	873	3.80	1929	6.83	861	2.55
	Total	23003	100.00	28224	100.00	33729	100.00

*Exemption given on rice import

The table indicates that over the past three fiscal years, the power sector has been the largest contributor to the overall tax expenditures. However, the percentage of contribution decreased in FY 2022-23. In FY 2024-25, the benefit regarding duty-free importation of plants, equipment, and erection materials for the power sector has been revised. The 0% customs duty has been replaced with a 5% customs duty. This may result in a reduction in the amount of exemptions.

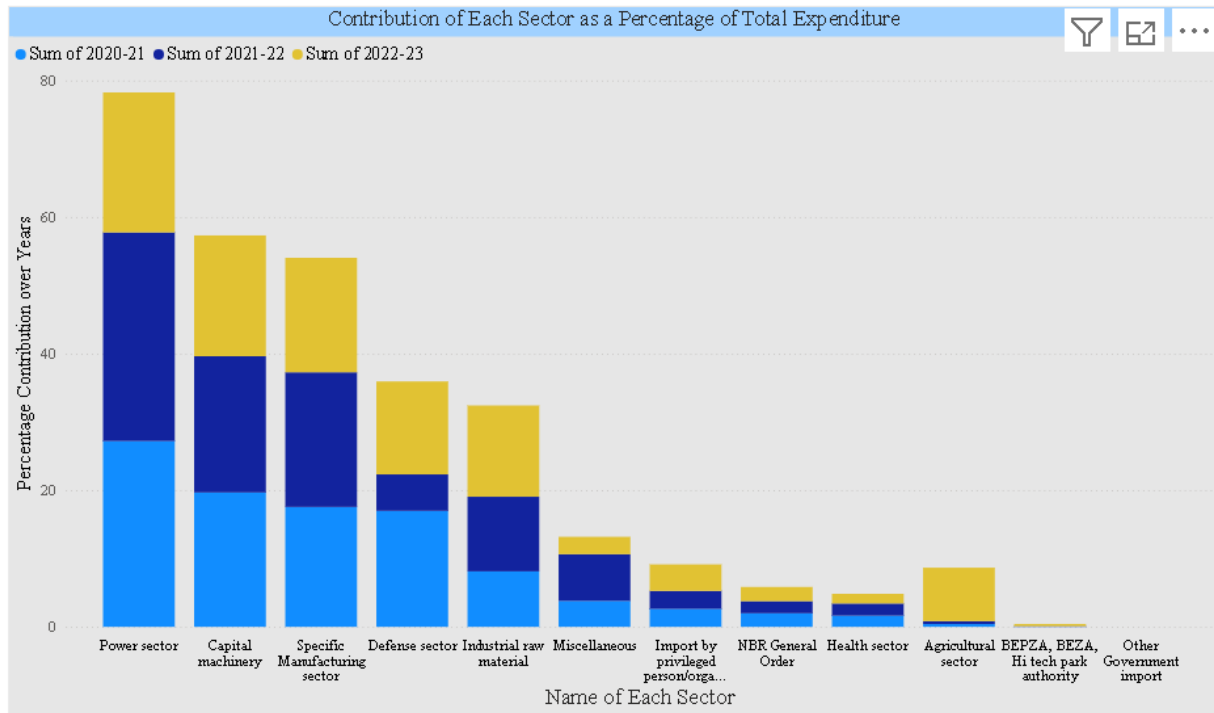


Fig01: Contribution of Each sector as a Percentage of Total Expenditure

This stacked bar chart shows the relative decomposition of year-by-year contribution of a particular sector to total tax expenditure. Moreover, this figure provides an idea of the trend of exemptions awarded to a particular sector.

4.2 Customs Tax Expenditure for top 20 CPC:

As previously mentioned, analyzing the top 20 Customs Procedure Codes (CPCs) allows for a more comprehensive examination of the areas that generate the majority of tax expenditures. A detailed list of these top 20 CPCs is provided in the annex. This selection is justified by their significant contribution to total exemptions, accounting for 95%, 93%, and 97% of the total exemptions for FY 2020-21, 2021-22, and 2022-23, respectively.

Table 08: Total Exemptions from Top 20 CPCs:

Sl No.	CPC	Description	Exemptions (in thousand Cr.)		
			2020-21	2021-22	2022-23
1	Top 20	Power sector, Capital Machinery, Defense store etc.	21,724	26,089	32,721

To gain a better understanding of these top 20 CPCs, it is essential to first comprehend their respective tariff structures. The following table outlines the duties applicable to each of the twenty CPCs. This information will also offer insights into how these exemptions might be rationalized in future policy considerations.

Table 09 : Tax Expenditure for top 20 CPC by types of tax

Sl No.	CPC	SRO Description	Type of Tax (applicable √)					
			CD	RD	SD	VAT	AT	AIT
1	N14	Power sector Exemption by NBR					√	√
2	C13	Capital Machinery (industrial importer)	1%				√	
3	S14	Defense Store						
4	N26	Exemption by NBR	√	√	√	√	√	
5	S37	Edible oil				5%		
6	R12	Industrial Raw Material	√			15%		√
7	C11	Capital Machinery (Commercial importer)	1%				√	√
8	N11	AT and AIT exemption by NBR	√	√	√	√		
9	A38	Import of Machinery, parts	√				√	√

		and accessories by Textile Industry						
10	A22	Industrial (Vendor) import by Cellular Phone Manufacturer	1%				√	√
11	N25	Exemption by NBR						√
12	M23	PGC order	7.5%		√	√	√	√
13	A20	Cellular Phone Manufacturer	1%				√	
14	V19	Ocean going ships	√	√	√			√
15	S12	Import Cars for the Member of the Parliaments						√
16	G11	Import of Coal for use in public or private power plant	5%	√	√			
17	A21	Cellular Phone Manufacturer	10%				√	√
18	S15	Imported by Diplomatic Mission						


19	A11	Import of Pharmaceutical Raw Materials			√	√	√	√
20	M16	Relief Materials						

The following table illustrates the relative positions of the top 20 Customs Procedure Codes (CPCs). This comparison enables us to narrow down the CPCs for future efforts related to the rationalization of exemptions. Notably, the first 13 CPCs have consistently maintained their status as the most significant contributors to tax exemptions over the past three fiscal years. Consequently, policymakers might consider rationalizing these CPCs by revisiting the conditions outlined in the respective Statutory Regulatory Orders (SROs) and reassessing the concessionary rates specified in various tables of the SROs.

Table 10: Year by Year Position of top 20 CPCs

SL No	2022-23		2021-22		2020-21	
	CPC	Exemption	CPC	Exemption	CPC	Exemption
1	N14	6,007	N14	8,208	N14	5,940
2	S14	4,590	C13	4,045	S14	3,906
3	C13	4,539	R12	2,145	C13	2,961
4	Rice	2585.60	S14	1,508	R12	1,638
5	Import, Exempted	2585.60	C11	1,468	C11	1,520
6	S37	2,567	A22	1,419	A22	1,129
7	R12	1,820	M16	1,359	A21	851
8	C11	1,273	A21	889	A38	524
9	A38	893	S37	727	M16	520
10	N25	699	A38	704	N25	457

11	A20	696	A20	550	A20	327
12	S12	687	N25	498	S13	318
13	M23	593	M32	460	M23	314
14	V19	569	M23	398	S24	229
15	A22	560	S24	357	R14	216
16	A21	505	S13	330	V18	211
17	A11	435	V18	274	A11	204
18	S15	416	A11	272	M32	160
19	V18	357	S15	236	V19	155
20	M16	344	V19	232	A24	144

 - indicates CPC was not common in at least three years

4.3 Tax Expenditure and Tax to GDP Ratio:

Tax exemptions are often expressed as a percentage of Gross Domestic Product (GDP) to provide a clear and standardized measure of their impact on a country's economy. According to the International Monetary Fund (IMF): "Tax expenditures (including exemptions, deductions, and credits) are usually reported as a percentage of GDP to highlight their economic significance. This measure helps in assessing the extent to which tax expenditures reduce government revenue relative to the size of the economy" (International Monetary Fund, 2019).

This method allows for easy comparison across different countries and time periods, regardless of the size of their economies. By relating tax exemptions to GDP, it is possible to gauge the significance of these exemptions relative to the overall economic activity. This approach also helps policymakers and analysts understand the fiscal implications and the potential effects on public finances and economic growth.

According to the provisional data of BBS, GDP at current market prices is Tk. 44,39,273 crore (US\$ 454 Billion) in FY 2022-23. (Bangladesh Economic Review, 2023)

And the estimated Tax Exemption for FY 2022-23 is 33,729 Crore Taka. Thus, Bangladesh's tax exemption for customs stands at 0.76% of GDP for FY 2022-23.

To conduct a comparative analysis of Bangladesh's tax exemptions for customs, it is recommended to examine similar data from both developed countries and neighboring nations.

It is evident that, Bangladesh's overall percentage of Tax Exemption to GDP is higher compared to many of developed and neighboring countries. However, Bangladesh's customs tax exemption is comparable to its regional peers. For instance, India's customs exemptions are lower at 0.5% of GDP, possibly due to broader tax reforms and rationalization of exemptions. In contrast, Pakistan's figure at 1.5% of GDP suggests a higher dependency on customs exemptions. Sri Lanka, with a similar economic structure to Bangladesh, has slightly higher exemptions at 1.2% of GDP. The customs tax exemptions in developed countries like the United States and the United Kingdom form a minor part of their overall tax expenditures. These countries have more diversified tax bases and typically rely less on customs duties as a revenue source. Bangladesh's figure is higher than the specific customs exemptions of these countries but lower than their total tax expenditure, indicating room for diversification in revenue generation.

Reducing tax expenditures can potentially increase the tax-to-GDP ratio, but this outcome depends on several factors. Tax expenditures, such as deductions, exemptions, and credits, reduce the effective tax rate and thus lower tax revenues. By reducing these expenditures, the government can increase the effective tax rate, leading to higher tax revenues as a percentage of GDP. However, the actual impact also depends on the broader economic context, including the overall tax policy, economic growth, compliance rates, and behavioral responses from taxpayers.

In conclusion, while Bangladesh's customs tax exemptions are substantial, they are not an outlier when compared to global and regional practices. However, it does highlight the need for a balanced approach in tax policy to ensure that such exemptions provide the intended economic benefits without unduly reducing public revenue. Reducing the number of exemptions and increasing compliance could help in generating more revenue. Streamlining exemptions to target specific sectors that contribute to economic growth could make the system more efficient.

Chapter 5: Recommendations and Conclusion

5.1 Way forward:

- A systematic and customized approach should be developed to institutionalize the process of reporting of TEs which should be supported by a range of tools and techniques.
- A guideline regarding reporting TEs estimates should be published by NBR outlining at least the following:
 - Broad definition of the concept of tax expenditure and necessary assumptions to account for changes in taxpayer behavior.
 - How frequently NBR will make the publication and whether it will be included as a part of the annual budget documents.
 - Purview and purpose of the tax expenditure analysis.
 - Considerations for defining BTS and which tax measures should be considered as departures from a BTS.
 - Estimation methodology, supporting information or data and data confidentiality policy i.e. protection of data from unauthorized access and disclosure, including means for protecting personal privacy and proprietary information.
 - Analysis of tax expenditure estimates such as general trend, forecast, a discussion of change from previous year and factors explaining this etc.
- Forecasting of TEs can be a useful tool in preparing the budget and a prime consideration before estimating government expenditure. Unfortunately, as of today, NBR does not have the necessary tools and expertise to conduct such forecasting.
- Reporting TEs required partnership and collaboration with other organizations like Bangladesh Bank, Bangladesh Bureau of Statistics and Ministry of Finance.
- Capacity building on human and financial resources is required.
- Considering the magnitude and specialty of the work a dedicated tax policy unit (TPU) can be established at NBR.
- Tax expenditures are often considered to be alternative policy measures for providing financial support to individuals and companies. Moreover, they can also be thought of as incentives to attract FDI. (TE and their use in fiscal management, IMF page1). As stated previously, SROs are the commonly used tools to provide such support or incentives. While

many of the SROs are in place for many years, there are still no such study on whether the intended objective has been adequately served and the possible reasons for its success or failure and how long it should continue with such benefits.

- Like many countries, placing an estimate of annual tax expenditures before the parliament as a part of the finance bill can be made a legal requirement. Tax expenditure reporting is a part of good practices of fiscal management in many countries and is usually published as part of the annual budget statement of governments.

5.2 Conclusion:

This report represents the inaugural effort to quantify tax expenditures associated with customs duties. Unlike countries such as Canada, which exclude import taxes from their Tax Expenditures (TEs) reporting, the National Board of Revenue (NBR) is committed to including TE estimates arising from customs duty exemptions. This commitment is driven by the substantial impact of customs duty TEs on the overall financial landscape.

As the NBR will now regularly report on Tax Expenditures, it is essential to establish a structured approach for this reporting, rather than relying on ad-hoc measures, even if not legally mandated. The protocol for reporting tax expenditures is a dynamic process. This report includes significant efforts to propose recommendations aimed at enhancing the NBR's precision in estimating Tax Expenditures. It serves as an important tool for the government's program planning and spending plans.

Ultimately, the primary objective of tax expenditure analysis is not merely to ascertain an aggregate number but to provide transparency regarding the cost of each tax provision. This transparency enables a sound cost-benefit assessment, making the tax expenditure estimate a valuable resource.

Annex 01: List of CPC with Subject & Legal Reference

1. Sector name: Capital Machinery

SI No.	CPC	SRO/Order No.* (For FY 22-23)	Subject/Description	Purpose	Beneficiary
1	C11	SRO. 118/2022	Capital Machinery	Special exemption benefit for Import Machinery	Eligible institutions mentioned in SRO
2	C12	SRO. 118/2022	Capital Machinery	Special exemption benefit for Import Machinery	Eligible institutions mentioned in SRO
3	C13	SRO. 118/2022	Capital Machinery	Special exemption benefit for Import Machinery	Eligible institutions mentioned in SRO
4	C14	SRO. 135/2022	Generator Assembling plant (Import of generator equipment and parts)	Import of generator equipment and parts	Eligible institutions mentioned in SRO
5	C15	SRO. 135/2022	Generator Assembling plant (Import of generator equipment and parts)	Import of generator equipment and parts	Eligible institutions mentioned in SRO
6	C16	SRO. 129/2021	Import of Prefabricated Building Structures by 100% Export Oriented Industries	100% Export Oriented Industries	Eligible institutions mentioned in SRO

7	C17	SRO. 129/2021	Import of fire extinguishing equipment and parts	Special exemption benefit	Eligible institutions mentioned in SRO
8	C18	SRO. 129/2021	Import of fire extinguishing equipment and parts	Special exemption benefit for fire extinguishing equipment	Eligible institutions mentioned in SRO
9	C19	SRO. 169/2011	Import of Consumables Chemicals used in ETP plant	Special exemption benefit	Eligible institutions mentioned in SRO
10	C20	SRO. 169/2011	Import of Consumables Chemicals used in ETP plant	Special exemption benefit	Eligible institutions mentioned in SRO
11	C22	SRO. 118/2022	Capital Machinery (AT Exempted)	Special exemption benefit for Import Machinery	Eligible institutions mentioned in SRO
12	C23	SRO. 118/2022	Capital Machinery (Export Oriented Industries)	Special exemption benefit for Import Machinery	Eligible institutions mentioned in SRO
13	G24	SRO No. 202/2022	ATM, CC Camera, Computer Manufacture	Special exemption benefit	Eligible institutions mentioned in SRO
14	G25	SRO-17/2019	Rupur	Special exemption benefit	Eligible institutions mentioned in SRO
15	G26	SRO No. 151/2021	BEZA Capital Machinery	Special exemption benefit for Import Machinery	Eligible institutions mentioned in SRO

* SRO number can be different for different fiscal years; however, description, purpose and beneficiaries remain same.

2. Sector name: Industrial Raw Materials

Sl No.	CPC	SRO/Order No.* (For FY 22-23)	Subject/Description	Purpose	Beneficiary
1	C24	SRO. 129/2020	Agriculture Machinery	Special exemption benefit	Eligible institutions mentioned in SRO
2	R11	Table 1 to 5 of SRO No. 119/2022	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
3	R12	Table 1 to 5 of SRO No. 119/2022	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
4	R13	Table 6 of SRO No. 119/2022	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
5	R14	Table 6 of SRO No. 119/2022	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
6	R15	SRO No. 292/2007	Industrial Salt	Special exemption benefit	Eligible institutions mentioned in SRO
7	R16	SRO No. 292/2007	Industrial Salt	Special exemption benefit	Eligible institutions mentioned in SRO
8	A44	SRO No. 158/2008	Import of Telecommunication Materials (Internet Gateway Related Equipment)	Special exemption benefit	Eligible institutions mentioned in SRO

10	A45	SRO No. 279/2008	Import of Telecommunication Materials (Internet Gateway Related Equipment)	Special exemption benefit	Eligible institutions mentioned in SRO
11	A46	SRO No. 159/2019	Imports of Accessories by Footwear Manufacturers	Special exemption benefit	Eligible institutions mentioned in SRO
12	A47	SRO No. 125/2022	Import of Materials used in the Leather Industry	Special exemption benefit	Eligible institutions mentioned in SRO

* SRO number can be different for different fiscal years; however, description, purpose and beneficiaries remain same.

3. Sector name: Industrial Sector

Sl No.	CPC	SRO/Order No.* (For FY 22-23)	Subject/Description	Purpose	Beneficiary
1	R11	Table 1 to 5 of SRO No. 119/2022	Industrial Raw Materials	Special exemption benefit for Industrial Raw Materials	Eligible institutions mentioned in SRO
2	R12	Table 1 to 5 of SRO No. 119/2022	Industrial Raw Materials	Special exemption benefit for Industrial Raw Materials	Eligible institutions mentioned in SRO
3	R13	Table 6 of SRO No. 119/2022	Industrial Raw Materials	Special exemption benefit for Industrial Raw Materials	Eligible institutions mentioned in SRO
4	R14	Table 6 of SRO No. 119/2022	Industrial Raw Materials	Special exemption benefit for Industrial Raw Materials	Eligible institutions mentioned in SRO

5	R15	SRO No. 292/2007	Industrial Salt	Special exemption benefit	Eligible institutions mentioned in SRO
6	R16	SRO No. 292/2007	Industrial Salt	Special exemption benefit	Eligible institutions mentioned in SRO
7	A44	SRO No. 158/2008	Import of Telecommunication Materials (Internet Gateway Related Equipment)	Special exemption benefit	Eligible institutions mentioned in SRO
8	A45	SRO No. 279/2008	Import of Telecommunication Materials (Internet Gateway Related Equipment)	Special exemption benefit	Eligible institutions mentioned in SRO
9	A46	SRO No. 159/2019	Imports of Accessories by Footwear Manufacturers	Special exemption benefit	Eligible institutions mentioned in SRO
10	A47	SRO No. 125/2022	Import of Materials used in the Leather Industry	Special exemption benefit	Eligible institutions mentioned in SRO

* SRO number can be different for different fiscal years; however, description, purpose and beneficiaries remain same.

4. Sector name: Government Project and industries in different Economic zone

Sl No.	CPC	SRO/Order No.* (For FY 22-23)	Subject/Description	Purpose	Beneficiary
1	G11	SRO No. 373/2019	Import of Coal for use in Power Plants for Power Generation in Public or Private Sector	Special exemption benefit	Eligible institutions mentioned in SRO
2	G12	SRO No. 146/2022	Import of Equipment, Parts and Accessories by Solar Panel Manufacturers	Special exemption benefit	Eligible institutions mentioned in SRO
3	G13	SRO No. 146/2022	Import of Equipment, Parts and Accessories by Solar Panel Manufacturer	Special exemption benefit	Eligible institutions mentioned in SRO
4	G14	SRO No. 17/2019	Ruppur Power Plant	Special exemption benefit	Eligible institutions mentioned in SRO
5	G15	SRO No- 130/2021	Oil & Gas Plant	Special exemption benefit	Eligible institutions mentioned in SRO
6	G16	SRO-126/2021	Rampal	Special exemption benefit	Eligible institutions mentioned in SRO
7	G17	SRO-101/2010	Car-Microbus Import at EPZ	Special exemption benefit	Eligible institutions mentioned in SRO

8	G18	SRO-208/2015	BEZA	Special exemption benefit	Eligible institutions mentioned in SRO
9	G19	SRO-208/2015	Import of Motor Car at BEZA	Special exemption benefit	Eligible institutions mentioned in SRO
10	G20	SRO-212/2015	Hi-tech Park	Special exemption benefit	Eligible institutions mentioned in SRO
11	G21	SRO No. 11/2005	Dhaka Clean Fuel Project	Special exemption benefit	Eligible institutions mentioned in SRO
12	G22	SRO No. 384-2013	PPP Project	Special exemption benefit	Eligible institutions mentioned in SRO

* SRO number can be different for different fiscal years; however, description, purpose and beneficiaries remain same.

5. Sector name: General Order issued by NBR

Sl No.	CPC	SRO/Order No.* (For FY 22-23)	Subject/Description	Purpose	Beneficiary
1	N11		Advance Tax and Income Tax Exemption by NBR	Special exemption benefit	Eligible institutions mentioned in SRO
2	N12		Exemption of CD, SD and VAT by NBR	Special exemption benefit	Eligible institutions mentioned in SRO
3	N13		Exemption NBR	Special exemption benefit	Eligible institutions mentioned in SRO
4	N14		Exemption by NBR Power Sector	Special exemption benefit	Eligible institutions mentioned in SRO
5	N15		Exemption by NBR Petroleum Corporation	Special exemption benefit	Eligible institutions mentioned in SRO
6	N16	Specific order Exemption by NBR	Exemption by NBR Bangladesh Bank	Special exemption benefit	Eligible institutions mentioned in SRO
7	N17	Specific order Exemption by NBR	Exemption by NBR Police	Special exemption benefit	Eligible institutions mentioned in SRO
8	N18		Exemption by NBR Bangladesh Cricket Board	Special exemption benefit	Eligible institutions mentioned in SRO

9	N19		Exemption by NBR Bangladesh Shipping Corporation	Special exemption benefit	Eligible institutions mentioned in SRO
10	N20		Exemption by NBR Defence	Special exemption benefit	Eligible institutions mentioned in SRO
11	N21		Exemption by NBR Special security Force	Special exemption benefit	Eligible institutions mentioned in SRO
12	N22		Exemption by NBR Shipping Line	Special exemption benefit	Eligible institutions mentioned in SRO
13	N23		Exemption by NBR Personal Effect	Special exemption benefit	Eligible institutions mentioned in SRO
14	N24		NBR	Special exemption benefit	Eligible institutions mentioned in SRO
15	N25		NBR	Special exemption benefit	Eligible institutions mentioned in SRO
16	N26		NBR	Special exemption benefit	Eligible institutions mentioned in SRO

* SRO number can be different for different fiscal years; however, description, purpose and beneficiaries remain same.

6. Sector name: Special Exemption (person / organization)

Sl No.	CPC	SRO/Order No.* (For FY 22-23)	Subject/Description	Purpose	Beneficiary
1	S11	Special order for Honorable President	Imported Goods for the Honorable President	Special exemption benefit	Eligible institutions mentioned in SRO
2	S12	SRO No. 238/2010	Import Cars for the Member of Parliament (MP)	Special exemption benefit	Eligible institutions mentioned in SRO
3	S13	SRO No. 238/2010	Import Cars for the Member of Parliament (MP)	Special exemption benefit	Eligible institutions mentioned in SRO
4	S14	SRO No. 246/1981	Defense Store	Special exemption benefit	Eligible institutions mentioned in SRO
5	S15	Specific order	Imported by Diplomatic Mission	Special exemption benefit	Eligible institutions mentioned in SRO
6	S16	SRO-246/1981	Privileged Person	Special exemption benefit	Eligible institutions mentioned in SRO
7	S17	Specific order	Imported by International Companies	Special exemption benefit	Eligible institutions mentioned in SRO
8	S18	SRO No. 215/2013	Import of Newsprint	Special exemption benefit	Eligible institutions mentioned in SRO

9	S19	SRO No. 215/2013	Import of Newsprint	Special exemption benefit	Eligible institutions mentioned in SRO
10	S20	SRO No. 132/2016	Baggage Rules	Special exemption benefit	Eligible institutions mentioned in SRO
11	S21	SRO No. 132/2016	Baggage Rules	Special exemption benefit	Eligible institutions mentioned in SRO
12	S22	KAFCO exemption related order	KAFCO	Special exemption benefit	Eligible institutions mentioned in SRO
13	S23	Lafarge Cement Special Exemption order	Lafarge Cement's Special Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
14	S24		Refrigerator, AC Production by Walton	Special exemption benefit	Eligible institutions mentioned in SRO
15	S25		KSRM	Special exemption benefit	Eligible institutions mentioned in SRO
16	S31	SRO-174/2019- VAT	Compressor, Refrigerator & freezer Manufacture	Special exemption benefit	Eligible institutions mentioned in SRO
17	S32	SRO-164/2019- VAT	Refrigerator & freezer Manufacture	Special exemption benefit	Eligible institutions mentioned in SRO

18	S33	SRO-165/2019-VAT	Automotive Manufacturing by PHP	Special exemption benefit	Eligible institutions mentioned in SRO
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* SRO number can be different for different fiscal years; however, description, purpose and beneficiaries remain same.

7. Sector name: Exemption of VAT and AT

SI No.	CPC	SRO/Order No.* (For FY 22-23)	Subject/Description	Purpose	Beneficiary
1	V11	SRO-151/2022-VAT	Advance Tax (AT)	Special exemption benefit	Eligible institutions mentioned in SRO
2	V12	General Order 10/VAT/2020, Date: 11/06/2020	Advance Tax (AT)	Special exemption benefit	Eligible institutions mentioned in SRO
3	V13	SRO 119/2022 Table-6 related exempted by NBR VAT section for AC, Fridge Manufacturer	Import of Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
4	V14	SRO 119/2022 Table-6 related exempted by NBR for AC, Fridge Manufacturer	Industrial Raw Materials for AC, Fridge Manufacturer	Special exemption benefit	Eligible institutions mentioned in SRO
5	V15	SRO 139/2022 Table-3	Motorcycle Manufacturer	Special exemption benefit	Eligible institutions mentioned in SRO

6	V16	SRO 139/2022	Motorcycle Manufacturer	Special exemption benefit	Eligible institutions mentioned in SRO
7	V17	SRO 139/2022	Motorcycle Manufacturer	Special exemption benefit	Eligible institutions mentioned in SRO
8	V18	SRO 141/2021-VAT	VAT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
9	V19	SRO 10/2019	Ocean-going ships	Special exemption benefit	Eligible institutions mentioned in SRO
10	V20	SRO 240/2019-VAT	Diaper and sanitary napkin Manufacture	Special exemption benefit	Eligible institutions mentioned in SRO
11	V21	SRO 10/2019	AT 3% for Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
12	V23	SRO-119-2022	AT Exempted	Special exemption benefit	Eligible institutions mentioned in SRO
13	V24	SRO 142/2019-VAT	AC Manufacturer	Special exemption benefit	Eligible institutions mentioned in SRO
14	V25	SRO 165/2022-VAT	AC, Rice Cooker Manufacturer	Special exemption benefit	Eligible institutions mentioned in SRO

15	V26	SRO 128/2020	Poultry Feed	Special exemption benefit	Eligible institutions mentioned in SRO
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* SRO number can be different for different fiscal years; however, description, purpose and beneficiaries remain same.

8. Sector name: AIT Exemption by Income Tax Wing

SI No.	CPC	SRO/Order No.* (For FY 22-23)	Subject/Description	Purpose	Beneficiary
1	T13	Order no-356, date 09/12/2018 and 465, 12/09/2018	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
2	T14	Order no-135/20 Order No-14/20	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
3	T15	Order no-12/20	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
4	T16	Order no- 69/2018 Order no- 82/2019 Order no- 89/2019	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
5	T17	Order no- 89/2019	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
6	T18	Special order	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO

7	T19	Order no-65/2019 Order no-82/2019	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
8	T20	Order no-20/2020 Order no-07/2020	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
9	T21	Order no-12/2020	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
10	T22	Order no-25/2019 Order no-09/2019	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
11	T23	Order no-18/2019	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
12	T24	Order no-43/2019	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
13	T25	Order no-39/2019	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
14	T26	Special order	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
15	T27	Order no-356/2018 Order no-465/2018	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO

16	T28	Order no-02/2019	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
17	T29	Special order by NBR	AT & AIT	Special exemption benefit	Eligible institutions mentioned in SRO
18	T30	Order no-356/2018 Order no-465/2018	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
19	T31	Special order by NBR	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
20	T32	Order no-356/2018 Order no-465/2018	AIT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
21	T33	Dairy or Poultry related SRO	Dairy or Poultry Farm	Special exemption benefit	Eligible institutions mentioned in SRO
22	T34		Poultry Feed	Special exemption benefit	Eligible institutions mentioned in SRO
23	T35	Order no-25/2019 Order no-9/2019	Poultry Feed	Special exemption benefit	Eligible institutions mentioned in SRO
24	T36	Order no-47/2019	Poultry Feed	Special exemption benefit	Eligible institutions mentioned in SRO

25	T37	Order no-69, 25,47/2019 Order no-9/2019	Poultry Feed	Special exemption benefit	Eligible institutions mentioned in SRO
26	T38	Order no- 24/2019	Fridge, TV	Special exemption benefit	Eligible institutions mentioned in SRO
27	T39	Order No- 356/18	Special Exemption by NBR	Special exemption benefit	Eligible institutions mentioned in SRO
28	T40	AIT Exemption Order no- 19/2019	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
29	T41	AIT Exemption	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
30	T42	AIT Exemption Order no- 19/2019 SRO-114/2021 table-6	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
31	T43	AIT Exemption Order no- 356/2018 Order no- 465/2018 SRO-114/2021 related	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
32	T44	AIT Exemption Order no- 139/2018 Order no- 20/2019 SRO-114/2021 related	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO

33	T45	AIT Exemption Order no- 356/2018 Order no- 20/2020 SRO-114/2021 related	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
34	T46	AIT Exemption SRO-114/2021 related Table-1 to 5	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
35	T47	AIT Exemption SRO-114/2021 related Table-1 to 5	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
36	T48	AIT Exemption SRO-114/2021 related Table-1 to 5	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
37	T49	AIT Exemption SRO-114/2021 related Table-6	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
38	T50	AIT Exemption	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
39	T51	AIT Exemption SRO-114/2021 related	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
40	T52	AIT Exemption SRO-114/2021 related	Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO

41	T53	AIT Exemption SRO-114/2021 related Table-1 to 5	Import of Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
42	T54	AIT Exemption SRO-114/2021 related Table-1 to 5	Import of Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
43	T55	AIT Exemption SRO-114/2021 related Table-1 to 5	Import of Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
44	T56	AIT Exemption SRO-114/2021 related Table-1 to 5	Import of Industrial Raw Materials	Special exemption benefit	Eligible institutions mentioned in SRO
45	T57	AIT Exemption Order no- 89/2018	Industrial Salts	Special exemption benefit	Eligible institutions mentioned in SRO
46	T58	AIT Exemption Order no- 18/2019	Referral Hospital	Special exemption benefit	Eligible institutions mentioned in SRO
47	T59	SRO-146/2015	Imports of Materials by the Weaving Industry (Jamdani)	Special exemption benefit	Eligible institutions mentioned in SRO
48	T60	AIT Exemption Order no- 89/2019	Textile Industry	Special exemption benefit	Eligible institutions mentioned in SRO

49	T61	SRO-223/2021	Motorcycle manufacturers	Special exemption benefit	Eligible institutions mentioned in SRO
50	T62	AIT Exemption Order no-94/2019 Order no-18/2020 For motorcycle manf. SRO-223/2021	Motorcycle manufacturers	Special exemption benefit	Eligible institutions mentioned in SRO
51	T63	AIT Exemption Order no-94/2019 Order no-18/2020 For motorcycle manf. SRO-223/2021	Motorcycle manufacturers	Special exemption benefit	Eligible institutions mentioned in SRO
52	T64	. SRO-223/2021 Table-3	Motorcycle manufacturers	Special exemption benefit	Eligible institutions mentioned in SRO
53	T65	AIT Exemption Order no-94/2019 Order no-18/2020 For motorcycle manf. SRO-223/2021	Motorcycle manufacturers	Special exemption benefit	Eligible institutions mentioned in SRO
54	T66	SRO 157/2009 AIT Exemption	Textile	Special exemption benefit	Eligible institutions mentioned in SRO

55	T67	AIT Exemption Order no-89/2019	Alloy Steel Manufacture	Special exemption benefit	Eligible institutions mentioned in SRO
56	T68	AIT Exemption Order no-19/2019	Cellular Phone Manufacture	Special exemption benefit	Eligible institutions mentioned in SRO
57	T69	AIT Exemption Order no-80/2019	Rupur Power Plant	Special exemption benefit	Eligible institutions mentioned in SRO
58	T70		Car-Microbus Import at EPZ	Special exemption benefit	Eligible institutions mentioned in SRO
59	T71	Import sro of AIT	BEZA	Special exemption benefit	Eligible institutions mentioned in SRO
60	T72	AIT Exemption	Hi-tech Park	Special exemption benefit	Eligible institutions mentioned in SRO
61	T73		Referral Hospital	Special exemption benefit	Eligible institutions mentioned in SRO
62	T74		AIT	Special exemption benefit	Eligible institutions mentioned in SRO
63	T75		AIT	Special exemption benefit	Eligible institutions mentioned in SRO

64	T76		AIT	Special exemption benefit	Eligible institutions mentioned in SRO
65	T77		AIT- 2.73%	Special exemption benefit	Eligible institutions mentioned in SRO
66	T78		AIT-3%	Special exemption benefit	Eligible institutions mentioned in SRO

* SRO number can be different for different fiscal years; however, description, purpose and beneficiaries remain same.

9. Sector name: Miscellaneous

Sl No.	CPC	SRO/Order No.* (For FY 22-23)	Subject/Description	Purpose	Beneficiary
	M11	SRO 134/2017	bio hygiene machinery for Pure Water	Special exemption benefit	Eligible institutions mentioned in SRO
	M12	SRO 63/2017	EPZ	Special exemption benefit	Eligible institutions mentioned in SRO
	M13	SRO 192/2019	Import of Scientific Instruments as Educational Materials	Special exemption benefit	Eligible institutions mentioned in SRO
	M14	SRO 192/2019	Import of Scientific Instruments as Educational Materials	Special exemption benefit	Eligible institutions mentioned in SRO
	M15	SRO 297/2019	De-Minimis Related	Special exemption benefit	Eligible institutions mentioned in SRO

	M16	SRO 61/1992	Relief Materials	Special exemption benefit	Eligible institutions mentioned in SRO
	M17	Special Exemption	Defart	Special exemption benefit	Eligible institutions mentioned in SRO
	M18	Special Exemption	Defart	Special exemption benefit	Eligible institutions mentioned in SRO
	M19	SRO 149/2022	Tourism	Special exemption benefit	Eligible institutions mentioned in SRO
	M21	SRO 132/2022-VAT	Block List Import	Special exemption benefit	Eligible institutions mentioned in SRO
	M22	SRO 142/2022	Amusement Park	Special exemption benefit	Eligible institutions mentioned in SRO
	M23	PGC order 17(1)/98/568, 2001	PGC Order	Special exemption benefit	Eligible institutions mentioned in SRO
	M24	Chemical Manufacturer Related SRO	Chemical Manufacturer	Special exemption benefit	Eligible institutions mentioned in SRO
	M25	SRO SRO 178/2019(VAT)	API	Special exemption benefit	Eligible institutions mentioned in SRO

	M28	SRO 179/2019-VAT	Polypropylene staple fiber import	Special exemption benefit	Eligible institutions mentioned in SRO
	M34	SRO 163/2022-VAT	VAT Exemption	Special exemption benefit	Eligible institutions mentioned in SRO
	M38		Re-Export	Special exemption benefit	Eligible institutions mentioned in SRO

* SRO number can be different for different fiscal years; however, description, purpose and beneficiaries remain same.

10. Sector name: General Import

SI No.	CPC	SRO/Order No.* (For FY 22-23)	Subject/Description	Purpose	Beneficiary
	000		General Import		

* SRO number can be different for different fiscal years; however, description, purpose and beneficiaries remain same.

Annex2: Import Data against all CPCs

Old CPC	NEW CPC	DESCRIPTION	2020-2021			2021-2022			2022-2023		
			QTY(MT)	VALUE	EXEMPTION	QTY(MT)	VALUE	EXEMPTION	QTY(MT)	VALUE	EXEMPTION
120	C11	Capital M/C,SRO-118/22, CD-1,RD,SD,VAT-0,AT,AIT-Applicable	473,961	15,352	1,520	394,798	14,729	1,468	247,465	12,808	1,273
121	C12	Capital M/C,SRO-118/22, CD-1,RD,SD,VAT,AIT-0, ATApplicable	495	31	2	2,816	92	6	1,362	179	10
220	C13	Capital M/C,SRO-118/22, CD-1, RD,SD,VAT,AT,AIT-0	1,056,839	76,842	2,961	1,273,784	108,083	4,045	1,265,002	126,159	4,539
140	C14	Generator Assem. Plant SRO-135/22,CD,RD-0,Oth Applicable							64	5	0
236	C15	Generator Assem. Plant SRO-135/22,CD,VAT,AT,AIT-0,Oth Applicabl							78	10	1
211	C16	Pre Fabricated Bldg Material,SRO-161/16,RD,SD,VAT-0, Oth Appl.	6,403	35	3	2,002	17	2	12,099	197	25
221	C17	Fire Fighting Equip, SRO-129/21,BGMEA & BTMA, CD-5,RD,SD,VAT-0									
213	C18	Fire Fighting Equip, SRO-129/21,BGMEA & BTMA, CD-5,RD,SD,VAT-0	12,984	449	37	5,684	249	20	2,508	194	2
199	C19	ETP Plant,SRO-169/11,CD 3%,SD,VAT,AT Exmpt	48	0	0						
299	C20	ETP Plant,SRO-169/11,CD 3%,RD,SD,VAT,AT,AIT Exmpt	467	13	1	504	7	1	273	9	1
320	C22	Capital Machinery, SRO-118/22, CD-1, AT Exempted				53,569	1,956	90	61,708	2,580	117
321	C23	Capital Machinery-Export Orient.Ind. SRO-118/22, CD-1, AT Exempt							1	0	0
		Capital Machinery	1,551,197	92,722	4,524	1,733,158	125,132	5,631	1,590,560	142,140	5,968
400	C24	Agriculture Machinery,SRO-129/20,CD-1,AT Applicable									
300	A27	Agriculture MC,SRO-129/20,CD-1, RD,SD,VAT-0,AT,AIT Applicable	42	1	0	147	3	1	155	6	1
190	A30	PHOSPHORIC ACID, SRO-349/13, CD,SD,VAT-0,RD,AT,AIT APPL									
125	A31	Raw Mat-Agri. Insecticide Annex-I,SRO-186/20,CD,RD,VAT-0							76	11	2
126	A32	Raw Mat-Agri. Insecticide Annex-I,SRO-186/20,CD-15, RD-0,Oth Ap	26	1	0	20	1	0	20	2	0
156	A42	Poultry & Dairy Farm, SRO-143/22, CD,SD,VAT-0,Oth Applicable	10,703	339	45	16,016	563	68	3,671	174	22
926	A43	Lift Mfg. Ind, SRO-157/19,Tab-1,Tab-2, CD-1,5, RD,SD-VAT-0	4,670	39	2	2,059	18	1	103,508	256	20
187	A48	Seed Imp,SRO-369/19, CD,RD,SD-0%, Oth Applicable	4,473	87	13	4,392	84	12	2,503	70	10
287	A49	Seed Imp,SRO-369/19, CD,RD,SD,AT-0%, Oth Applicable									
127	A50	Hatching Egg, SRO-164/12, CD-12,15, AIT Exempted,Oth Applicable									
905	V26	Poultry Feed, AIT-3, AT Exempted	182,152	631	34	217,807	647	37	1,300	14	1
901	M34	Rice Import, VAT Applicable	17	1	-	5	0	-	0	-	-
908		Rice Import, Exempted							3680710.35	16597.06	2585.60
		Agricultural Sector	202,084	1,100	94	240,446	1,317	119	3,791,943	17,131	2,642
301	R11	Ind Raw Mat,SRO-119/22,Tab:1-5,CD-0,5,10,15,25,VAT,AT,AIT APP	18,994	337	11	8,331	181	10	95,390	379	11
401	R12	Ind Raw Mat,SRO-119/22,Tab:1-5,CD-0,5,10,15,25,SD,AT-0,OTH APP	13,220,357	43,703	1,638	37,793,813	62,569	2,145	16,490,649	40,682	1,820
302	R13	Ind Raw Mat,SRO-119/22,Tab:6,CD-25,SD-10,20,60,OTH APP	68	2	1	2	0	0	3	1	0
402	R14	Ind Raw Mat,SRO-119/22,Tab:6,CD-25,SD-10,20,60,AT-0,OTH APP	60,601	1,677	216	55,037	1,590	201	37,349	989	109
193	R15	Industrial Salt, SRO-292/07,CD-5, RD,SD-0, OTH APPLICABLE									
930	S37	Edible Oil, VAT-5, All Oth Exempted				1,047,852	14,537	727	4,229,263	51,408	2,567
293	R16	Industrial Salt, SRO-292/07, RD,AT,AIT-0, OTH APPLICABLE	390,775	89	1						
185	A44	Telecomm. Equipment,SRO-158/08, CD-5,SD,VAT-0, Oth Applicable	0	1	0						
159	A47	Lather Goods Manuf.	916	6	0	2,678	21	1			
		Industrial raw material	13,691,711	45,815	1,867	38,907,712	78,897	3,084	20,852,654	93,459	4,507
131	A11	Pharma Raw Mat,SRO-122/14,Tab-1,CD,RD-0, OTH APPLICABLE	147,266	5,122	204	164,373	6,528	272	163,650	6,947	435
134	A12	Pharma Raw Mat,SRO-122/14,Tab-2,CD-10,RD,SD-0, OTH APPL.	169,676	2,363	142	204,718	3,109	187	81	3	0
226	A13	Cancer Drug,SRO-121/21,CD,VAT-0,OTH APPLICABLE	3	70	9	4	91	11	4	83	10
358	A15	Referral Hospital, SRO-144/22,CD-1,RD,SD,VAT,AIT-0,AT APPL	31	38	3				4	16	1
458	A16	Referral Hospital, SRO-144/22,CD-1, RD,SD,VAT-0,AT,AIT APPL	3	2	0						
132	A17	Raw Material for Antibiotic,SRO-127/20,CD,RD-0, OTH APPL.	11,881	419	19	11,690	546	27	9,596	458	22
232	A18	Raw Material for Antibiotic,SRO-127/20,CD,AIT-0, OTH APPL				1,165	45	2	3,648	179	6
158	A54	Referral Hosp. Equip, SRO-144/22, CD, RD, SD-0, Oth Applicable	2	3	0	3	8	1	6	6	1
		Health Sector	328,862	8,016	378	381,953	10,327	501	176,990	7,691	475
109	A20	Mobile Manufacturing,SRO-127/17,Tab-1&2,CD-1,AT Appl,Oth Exem	1,075	5,011	327	2,215	9,723	550	2,966	9,836	696
122	A21	Mobile Mfg,SRO-127/21,Tab-3&4,CD-10, RD,SD,VAT-0, Oth Exemp	12,380	11,975	851	15,405	11,723	889	8,746	6,674	505
102	A22	Mobile Mfg, SRO-127/21,Tab-1,CD-1, RD,SD,VAT-0, Oth Applicable	7,525	16,541	1,129	8,530	21,043	1,419	1,206,001	12,806	560
101	A23	Computer Mfg, SRO-116/21,CD-1, RD,SD,VAT-0,Oth Applicable	579	258	22	4,099	3,449	183	5,947	1,137	60
186	A24	Computer & Acc, SRO-123/22,CD-5,AT Appl, Oth Exempted	15,749	2,860	144	16,032	2,942	177	7,454	2,176	111
286	A25	Computer & Acc, SRO-123/22, CD-5, AILExempted	51	10	1	6	4	0	11	20	3
200	A26	Gas Cylinder Mfg,SRO-122/21,CD-3,5,10, RD,SD,VAT Exem,Oth App	254,024	1,680	116	255,375	2,571	193	110,319	1,124	83
128	A28	Compressor Mfg,SRO-131/20,CD-1,5, RD,SD,VAT-0,AIT-1.54%	39,992	506	33	57,307	1,045	77	13,370	334	25
103	A29	Industrial Mould, SRO-133/17,CD-1, RD,SD,VAT-0, AT,AIT APPL	2,240	44	6	3,912	82	9	970	32	3
222	A33	Toys Mfg, SRO-119/21, CD-5, RD,SD,VAT-0,AT, AIT APPLICABLE	609	16	1	1,710	51	6	1,259	46	5
223	A34	Silk Ind. Raw Mat, SRO-146/15,CD-5, RD,SD,VAT,AT-0, AIT APPL.	57,237	552	44	7,300	61	5	44,233	204	20

Old CPC	NEW CPC	DESCRIPTION	2020-2021			2021-2022			2022-2023		
			QTY(MT)	VALUE	EXEMPTION	QTY(MT)	VALUE	EXEMPTION	QTY(MT)	VALUE	EXEMPTION
105	A37	Motor Cycle Assem,SRO-139/12, Tab-1,2,3, CD-5,15, RD,SD-0	247	9	1	397	21	2			
157	A38	Textile Ind.SRO-120/21,Tab-1,2,3, CD-0,1,5, RD,SD,VAT-0	359,765	6,582	524	439,214	8,753	704	430,314	11,438	893
124	A41	Lift Mfg. Ind, SRO-157/19,Tab-1,Tab-2, CD-1,5, RD,SD-VAT-0	737	17	1	3,383	95	6	3,807	139	9
	A45	Telecomm. Equipment,SRO-158/08, CD-5,SD,VAT-0, Oth Applicable									
129	A46	Footwear Mfg Ind, SRO-159/19, RD,SD-0, Oth Applicable	2,766	62	6	876	27	2	48	2	0
209	A51	CNG Filling Stn,SRO-127/22,CD-3, RD,SD,VAT-0, Oth Applicable	292	32	4	567	42	5	1,184	73	9
250	A52	Shipbuilding & Dredger,SRO-130/20, CD-5, RD,SD-0, Oth Applicabl	101,076	634	49	44,876	434	33	49,224	508	39
924	A53	Alloy Steel Mfg,SRO-43/15, CD-5, All Oth Applicable									
206	A56	Washing Machine, SRO-125/21, CD-0,5,10,15, RD, SD-0, Oth Appl	25	1	0						
108	A57	Leather Machiner,SRO-78/17,CD-1, RD,SD,VAT-0, AT,AIT Applicable	2	0	0						
313	A59	Fire Fight,SRO-129/21,BGMEA,BTMA,CD-5,RD,SD,VAT,AT-0,AIT APP				3,367	212	22	5,466	348	34
	A62	Freeze Manu,Cd 5,10,15 Rd,SD 0				16889.51	464.69	17.00	267578.63	7575.00	308.00
	A63	AC Manu CD 5,10,25 Rd 0, sd 0,20				5811.34	196.62	22.00	89447.89	3486.25	295.00
	A64	Prefab Cd 5,10,15 ,RD 0,Sd 0,20				3086.63	26.90	0.54	370069.21	2783.49	103.00
	G24	ATM ,Comp CD 1,10,SD,VAT,RD =0							18.51	1.66	0.14
610	S22	KAFCO, CD-6.5, RD-0, Oth Applicable	26,167	363	23	28,130	463	28	29,254	444	28
611	S23	Lafarge Cement, CD-7.5, All Oth Applicable									
622	S24	Frz,AC,Com,W.Mch,Ovn,Lft,Blnd,M.Grnd,Coker VAT,AT,AIT-0	144,219	2,388	229	207,193	4,315	357	134,319	2,266	206
637	S25	KSRM									
644	S26	BSRM									
652	S28	ABUL Khair									
663	S29	Runner Auto, Bike, CD-5,15, RD,SD,VAT,AT-0, AIT Reduced									
664	S30	Runner Auto, Bike, CD-5,15, RD,SD,VAT,AT-0, AIT Reduced	7,768	323	12	37	2	0			
669	S31	LG Butterfly, SD,VAT-0, AIT-Reduced Rate, Oth Applicable	4,676	89	8	5,897	117	10	12,540	379	32
675	S32	Fair Electr.-Fridge,Wash mc SD,VAT,AT,AIT-0	3,927	97	11	4,746	160	10	4,265	124	12
681	S33	PHP Car Mfg, VAT-0, All Oth Applicable	324	12	3				229	9	2
410	V13	Fridge, AC Mfg, SRO-148/16,Tab-6,VAT,AT Exempted	587	16	2						
409	V14	Fridge, AC Mfg, SRO-119/22,Tab1-5,VAT,SD,AT Exempted	5,680	103	12	17,875	353	29	5,557	185	13
678	V15	Motor Bike SRO-139/22,Tab-3, SD, AT Exempted	231	8	1						
679	V16	Motor Bike SRO-139/22,Tab-3, SD, AIT Exempted	22,569	1,223	75	13,692	842	34	4,493	310	13
665	V17	Motor Bike, SRO-139/22, Tab-3, RD, SD, VAT Exempted									
110	V18	Paper Mfg. Industries, VAT Exempted	319,480	1,406	211	312,610	1,825	274	288,221	2,406	357
147	V19	Ocean Going Vessel, Capacity >=5000 DWT, VAT, AT-0	204,965	2,072	155	304,048	3,100	232	619,376	7,587	569
685	V20	Toiletries, SD,VAT-Exempted, All Oth Applicable	539	14	4	1,278	36	11	1,855	54	21
160	V21	Industrial Raw Material, AT-4%	358,490	1,323	14	1,472	19	0	47	3	0
404	V23	AT Exempted, SRO-122/20, Tab:1-5, CD-10, RD,SD,VAT,AT-0	83	6	0	15,489	156	10	422	39	3
525	V24	AC Manufacturers, CD-5, RD,SD,VAT,AT-0, AIT-1.67%				19,633	710	43			
205	A55	Medical Device Mfg, SRO-117/21, CD-5&10, RD,SD,VAT-0, Oth Appli									
	A65	Freeze Table 4,CD 25,SD 0,10									
	A66	Lead Eneg Sav Light,CD,VAT 0 ,SRO 201/22							1387.80	360.30	33.00
	A67	Mobile manu tab1-3 ,CD-1,AT ,AIT app ,Oth tax exmp							616.48	2546.05	217.00
	A69	Freeze Table-2							251.90	15.22	1.41
	A70	Switch, Socket, Lamp Holder CD-5, RD,SD,VAT-0									
	A68	Limestone SD-0 vat sro							9915738.73	2296.22	227.00
511	A61	Motor Cycle, SRO-155/16, Tab-1,2, CD-3,10, RD,SD-0,Oth Applicab	9,621	544	18	19,903	1,262	55	22,377	1,641	67
635	V25	FRZ,AC,Rice Co.Blend,Car Manu. VAT,AT-0, AIT 1.67,0				37,611	944	151	34,010	1,124	91
		Specific Manufacturing Sector	1,965,695	56,776	4,038	1,879,972	77,268	5,566	13,693,393	82,532	5,654
151	G11	Coal for Power Plant, SRO-373/19, CD-5,VAT,AT,AIT-0, Oth Appli				49,251	159	16	4,717,352	9,246	314
155	G12	Solar Panel, SRO-146/22, CD-CD,SD,VAT-0, Oth Applicable	7	5	0	55	2	0	73	3	0
255	G13	Solar Panel, SRO-146/22, CD, RD, VAT, AT, AIT-0	691	10	1						
668	G14	Ropur Power Plant,SRO-17/19, CD,RD,SD,VAT,AT-0	6,600	14	1						
214	G15	MINERAL OIL, GAS EXPLD. SRO-130/21, CD,RD,SD,VAT-0									
215	G16	Rampal Power Stn, SRO-126/21,CD,RD,SD,VAT-0, Oth Applicable									
170	N14	All Exempted-Power Sector under the Authority of NBR	9,158,556	86,775	5,940	7,115,677	130,080	8,208	5,700,918	97,883	6,007
170	N15	All Exempted-Petroleum Corpn. under the Authority of NBR									
602	M23	PGC Order 17(1)/98/568, 2001, CD-7.5,RD-0, All Oth Applicable	96,179	5,274	314	127,623	7,848	398	176,043	11,469	593
		Power Sector	9,262,034	92,077	6,256	7,292,606	138,089	8,622	10,594,386	118,601	6,914
135	G17	Car,Microbus Imported by EPZ Inds, RD,SD,VAT-0, Oth Applicable									

Old CPC	NEW CPC	DESCRIPTION	2020-2021			2021-2022			2022-2023		
			QTY(MT)	VALUE	EXEMPTION	QTY(MT)	VALUE	EXEMPTION	QTY(MT)	VALUE	EXEMPTION
227	G18	Import by BEZA Inds, CD,RD,SD,VAT,AT-0, AIT Applicable				59,839	137	18	389,912	700	93
229	G19	Car Import by BEZA Inds, CD,RD,SD,VAT-0, AT,AIT Applicable	84	20	5	52	15	4	9	3	1
	G25	Ruppur Intra struct All tax expm,SRO275/21							2.95	141.30	13.92
252	G20	Car Import by BEZA Inds, CD,RD,SD,VAT-0, AT,AIT Applicable							10	4	1
328	G23	PPP Project,SRO-384/13, RD,SD-0, All Oth Applicable							44	2	0
		BEPZA, BEZA, Hi tech park authority	84	20	5	59,891	152	23	389,978	851	109
170	N21	All Exempted-Special Security Force(SSF) under the Auth. of NBR									
141	M13	Scientific Instrument for Educational Institution, VAT-0									
143	M14	Scientific Instrument for Educational Institution, VAT, AIT-0									
		Other Government Import	-	-	-	-	-	-	-	-	-
170	N20	All Exempted-DG(Defense Purchase) under the Authority of NBR									
176	S14	Defenses Store, Memo-246/81, All Exempted	124,816	23,901	3,906	74,124	16,778	1,508	87,941	34,649	4,590
		Defence Sector	124,816	23,901	3,906	74,124	16,778	1,508	87,941	34,649	4,590
175	S11	Import for Honourable President, All Exempted				1	0	0			
137	S12	Vehicle Import by MP, SRO-238/10, AIT Applicable, Oth Exempted							1,012	362	687
138	S13	Vehicle Import by MP, SRO-238/10, AIT Applicable, Oth Exempted	430	217	318	890	291	330	208	63	90
179	S15	Diplomatic Mission, All exempted	6,298	772	105	10,922	878	236	8,317	1,060	416
180	S16	Privileged Person-All Exempted	1,057	71	56	1,043	136	70	492	28	10
181	S17	International Organization-All Exempted	3,385	1,468	125	2,975	915	106	2,384	865	105
		Import by Privileged Person/Organization	11,170	2,528	604	15,831	2,220	742	12,413	2,377	1,308
166	N11	AIT, AIT Exemption by the Authority of NBR									
167	N12	CD,SD,VAT Exempted under the Authority of NBR	58	7	1	35	6	1	44	7	2
170	N16	All Exempted-Bangladesh Bank under the Authority of NBR									
170	N17	All Exempted-Bangladesh Police under the Authority of NBR									
170	N18	All Exempted-Bangladesh Cricket Board under the Authority of NB									
170	N19	II Exempted-BD Shipping Corpn (BSC) under the Authority of NBR									
170	N22	All Exempted-Shipping Lines under the Auth. of NBR									
170	N23	All Exempted-Personal Effects under the Auth. of NBR									
268	N25	Exempted under the Auth of NBR, CD,RD,SD,VAT,AT-0	490,106	5,354	457	448,342	5,601	498	454,163	8,020	699
273	N26	Exempted under the Auth. of NBR, AIT-0, All Oth Applicable									
		NBR General Order	490,164	5,360	458	448,378	5,607	499	454,207	8,027	701
139	A35	Taxi Cab, SRO-151/09, CD-20, RD,SD-0, Oth Applicable									
239	A36	Taxi Cab, SRO-151/09, CD-20, RD,SD,AIT-0, Oth Applicable									
306	A39	Human Haller-CBU, SRO-157/16,CD-25, All Applicable									
305	A40	Human Haller-CKD, SRO-157/16,CD-15, All Applicable									
613	G21	Dhaka Clean Fuel, SRO-11/05, CD-5, All Oth Applicable									
642	G22	PPP Project,SRO-384/13, RD,SD-0, All Oth Applicable									
189	S18	Newsprint, SRO-215/13, CD-5, RD-0, All Oth Applicable									
289	S19	Newsprint, SRO-215/13, CD-5, RD, AT-0, All Oth Applicable	66,534	332	23	68,982	467	31	73,504	708	47
332	S20	Import under Baggage Rules, SRO-164/16, RD,AT-0, All Oth Exemp.	17,776	155	4	22,627	307	9	7,854	111	3
333	S21	Baggage Rules, SRO-164/16, RD,SD,VAT,AIT-0, All Oth Exemp.									
178	S36	Unaccompanied Baggage-Privileged Person, All exempted							283	11	1
173	V11	AT Exempted, All Oth Applicable	789,025	2,039	128	55,719	241	23	29,331	30	5
999	V12	AT									
107	M12	SRO-63/17, Food, Liq,Cigarette for EPZ,CD 15%, All Oth Applicab	313	6	6	373	9	10	426	22	22
150	M15	De Minimis,SRO-297/19,CD,RD,SD- 0	627	43	6	497	38	6	432	34	5
152	M16	Relief Goods, SRO-61/92, All Exempted	2,040,703	8,437	520	2,254,282	10,968	1,359	151,953	2,621	344
153	M17	Deaf, Dump & Blind, CD,RD,VAT,AT Exempted									
154	M18	Deaf, Dump & Blind, CD,RD,VAT,AT Exempted	0	1	0	19,493	69	10	1	3	0
204	M19	Tourism, SRO-251/13, CD-5,RD,SD,VAT-0, AT, AIT Applicable									
307	M22	VAT & ATV Exempt Under Auth. of NBR	307	65	6				3	1	0
104	M11	Pure Water, CD-10, AT,AIT Applicable, All Oth Exempted	126	17	2	393	24	3	250	17	2
261	M21	VAT & ATV Exempt Under Auth. of NBR	7,634	25	4	758	28	4	36,981	1,380	217
617	M24	Chemical Mfg, CD-15, All Oth Applicable									
627	M25	CUS SRO-128/18,VAT-178/19,29/20, All Exempted	112	18	2	3	3	0	1	2	0
658	M28	Polymer of Propylene, VAT-0, All Oth Applicable	8,308	80	13	7,754	102	14	800	11	1
682	M32	SRO-57/16, CD-1% , All Oth Exempted	58,444	2,062	160	134,460	5,263	460	88,850	3,988	213
	M38	Reimport CD 0									
		Miscellaneous	2,989,909	13,280	873	2,565,341	17,520	1,929	390,670	8,937	861

Annex 3: Import Data for Top20 (based on tax exemption) CPCs for FY2020-21

Figure in Crore Taka

Old CPC	NEW CPC	DESCRIPTION	2020-2021		
			QTY(MT)	VALUE	EXEMPTION
170	N14	All Exempted-Power Sector under the Authority of NBR	9,158,556	86,775	5,940
176	S14	Defenses Store, Memo-246/81, All Exempted	124,816	23,901	3,906
220	C13	Capital M/C,SRO-118/22, CD-1, RD,SD,VAT,AT,AIT-0	1,056,839	76,842	2,961
401	R12	Ind Raw Mat,SRO-119/22,Tab:1-5,CD-0,5,10,15,25,SD,AT-0,OTH APP	13,220,357	43,703	1,638
120	C11	Capital M/C,SRO-118/22, CD-1,RD,SD,VAT-0,AT,AIT-Applicable	473,961	15,352	1,520
102	A22	Mobile Mfg, SRO-127/21,Tab-1,CD-1, RD,SD,VAT-0, Oth Applicable	7,525	16,541	1,129
122	A21	Mobile Mfg,SRO-127/21,Tab-3&4,CD-10, RD,SD,VAT-0, Oth Exemp	12,380	11,975	851
157	A38	Textile Ind.SRO-120/21,Tab-1,2,3, CD-0,1,5, RD,SD,VAT-0	359,765	6,582	524
152	M16	Relief Goods, SRO-61/92, All Exempted	2,040,703	8,437	520
268	N25	Exempted under the Auth of NBR, CD,RD,SD,VAT,AT-0	490,106	5,354	457
109	A20	Mobile Manufacturing,SRO-127/17,Tab-1&2,CD-1,AT Appl,Oth Exem	1,075	5,011	327
138	S13	Vehicle Import by MP, SRO-238/10, AIT Applicable, Oth Exempted	430	217	318
602	M23	PGC Order 17(1)/98/568, 2001, CD-7.5,RD-0, All Oth Applicable	96,179	5,274	314
622	S24	Frz,AC,Com,W.Mch,Ovn,Lft,Bind,M.Grnd,Coker VAT,AT,AIT-0	144,219	2,388	229
402	R14	Ind Raw Mat,SRO-119/22,Tab:6,CD-25,SD-10,20,60,AT-0,OTH APP	60,601	1,677	216
110	V18	Paper Mfg. Industries, VAT Exempted	319,480	1,406	211
131	A11	Pharma Raw Mat,SRO-122/14,Tab-1,CD,RD-0, OTH APPLICABLE	147,266	5,122	204
682	M32	SRO-57/16, CD-1% , All Oth Exempted	58,444	2,062	160
147	V19	Ocean Going Vessel, Capacity >=5000 DWT, VAT, AT-0	204,965	2,072	155
186	A24	Computer & Acc, SRO-123/22,CD-5,AT Appl, Oth Exempted	15,749	2,860	144
		Total:	27,993,413	323,548	21,724

Annex 4: Import Data for Top20 (based on tax exemption) CPCs for FY2021-22

Figure in Crore Taka

Old CPC	NEW CPC	DESCRIPTION	2021-2022		
			QTY(MT)	VALUE	EXEMPTION
170	N14	All Exempted-Power Sector under the Authority of NBR	7,115,677	130,080	8,208
220	C13	Capital M/C,SRO-118/22, CD-1, RD,SD,VAT,AT,AIT-0	1,273,784	108,083	4,045
401	R12	Ind Raw Mat,SRO-119/22,Tab:1-5,CD-0,5,10,15,25,SD,AT-0,OTH APP	37,793,813	62,569	2,145
176	S14	Defenese Store, Memo-246/81, All Exempted	74,124	16,778	1,508
120	C11	Capital M/C,SRO-118/22, CD-1,RD,SD,VAT-0,AT,AIT-Applicable	394,798	14,729	1,468
102	A22	Mobile Mfg, SRO-127/21,Tab-1,CD-1, RD,SD,VAT-0, Oth Applicable	8,530	21,043	1,419
152	M16	Relief Goods, SRO-61/92, All Exempted	2,254,282	10,968	1,359
122	A21	Mobile Mfg,SRO-127/21,Tab-3&4,CD-10, RD,SD,VAT-0, Oth Exemp	15,405	11,723	889
930	S37	Edible Oil, VAT-5, All Oth Exempted	1,047,852	14,537	727
157	A38	Textile Ind.SRO-120/21,Tab-1,2,3, CD-0,1,5, RD,SD,VAT-0	439,214	8,753	704
109	A20	Mobile Manufacturing,SRO-127/17,Tab-1&2,CD-1,AT Appl,Oth Exem	2,215	9,723	550
268	N25	Exempted under the Auth of NBR, CD,RD,SD,VAT,AT-0	448,342	5,601	498
682	M32	SRO-57/16, CD-1% , All Oth Exempted	134,460	5,263	460
602	M23	PGC Order 17(1)/98/568, 2001, CD-7.5,RD-0, All Oth Applicable	127,623	7,848	398
622	S24	Frz,AC,Com,W.Mch,Ovn,Lft,Blnd,M.Grnd,Coker VAT,AT,AIT-0	207,193	4,315	357
138	S13	Vehicle Import by MP, SRO-238/10, AIT Applicable, Oth Exempted	890	291	330
110	V18	Paper Mfg. Industries, VAT Exempted	312,610	1,825	274
131	A11	Pharma Raw Mat,SRO-122/14,Tab-1,CD,RD-0, OTH APPLICABLE	164,373	6,528	272
179	S15	Diplomatic Mission, All exempted	10,922	878	236
147	V19	Ocean Going Vessel, Capacity >=5000 DWT, VAT, AT-0	304,048	3,100	232
		Total:	52,130,156	444,634	26,079

Annex5: Import Data for Top20 (based on tax exemption) CPCs for FY2022-23

Figure in Crore Taka

Old CPC	NEW CPC	DESCRIPTION	2022-2023		
			QTY(MT)	VALUE	EXEMPTION
170	N14	All Exempted-Power Sector under the Authority of NBR	5,700,918	97,883	6,007
176	S14	Defenses Store, Memo-246/81, All Exempted	87,941	34,649	4,590
220	C13	Capital M/C,SRO-118/22, CD-1, RD,SD,VAT,AT,AIT-0	1,265,002	126,159	4,539
908		Rice Import, Exempted	3680710.35	16597.06	2585.60
908		Rice Import, Exempted	3680710.35	16597.06	2585.60
930	S37	Edible Oil, VAT-5, All Oth Exempted	4,229,263	51,408	2,567
401	R12	Ind Raw Mat,SRO-119/22,Tab:1-5,CD-0,5,10,15,25,SD,AT-0,OTH APP	16,490,649	40,682	1,820
120	C11	Capital M/C,SRO-118/22, CD-1,RD,SD,VAT-0,AT,AIT-Applicable	247,465	12,808	1,273
157	A38	Textile Ind.SRO-120/21,Tab-1,2,3, CD-0,1,5, RD,SD,VAT-0	430,314	11,438	893
268	N25	Exempted under the Auth of NBR, CD,RD,SD,VAT,AT-0	454,163	8,020	699
109	A20	Mobile Manufacturing,SRO-127/17,Tab-1&2,CD-1,AT Appl,Oth Exem	2,966	9,836	696
137	S12	Vehicle Import by MP, SRO-238/10, AIT Applicable, Oth Exempted	1,012	362	687
602	M23	PGC Order 17(1)/98/568, 2001, CD-7.5,RD-0, All Oth Applicable	176,043	11,469	593
147	V19	Ocean Going Vessel, Capacity >=5000 DWT, VAT, AT-0	619,376	7,587	569
102	A22	Mobile Mfg, SRO-127/21,Tab-1,CD-1, RD,SD,VAT-0, Oth Applicable	1,206,001	12,806	560
122	A21	Mobile Mfg,SRO-127/21,Tab-3&4,CD-10, RD,SD,VAT-0, Oth Exemp	8,746	6,674	505
131	A11	Pharma Raw Mat,SRO-122/14,Tab-1,CD,RD-0, OTH APPLICABLE	163,650	6,947	435
179	S15	Diplomatic Mission, All exempted	8,317	1,060	416
110	V18	Paper Mfg. Industries, VAT Exempted	288,221	2,406	357
152	M16	Relief Goods, SRO-61/92, All Exempted	151,953	2,621	344
		Total:	38,893,420	478,008	32,721

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