



National Budget 2025-2026

As per proposed Finance Ordinance



Preface

The Honorable Finance Advisor, Dr. Salehuddin Ahmed of the Interim Government has presented the National Budget on June 02, 2025 for the first ever time after formation of this Government on 08 August 2024. This summarized information provides a salient overview about the national budget proposals for 2025-2026 and the changes brought in by the Finance Ordinance 2024 and the SROs issued thereafter.

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However, we will provide you the updates whether ordinance will be passed.

About ASICO

Anil Salam Idris & Co. (ASICO) is a chartered accountancy firm with a long-standing history in offering audit, assurance, expert advice and a comprehensive span of business advisory and tax, corporate advisory and specialist services to its valued clients belonging to a diverse range of industries. We are registered with the Financial Reporting Council (FRC) in 2023.

ASICO has developed expertise in the areas of audit & assurance, forensic & investigative audit, accounting services, taxation, company secretarial works, corporate finance, stocks & securities management, management consultancy, information technology consultancy, initial public offering (IPO) & fund raising, outsourcing & payroll services, feasibility & market study, review of financial management system and performance audit of various national and multinational organizations. Our continuous efforts to ensure quality, practical advice, ethical solutions, and integrity have resulted in magnificent growth for the firm over the last few years.

ASICO was established through the merger of three accounting firms, in 2015, A.B. Das & Co. (established in 1976), A. Salam & Co. (established in 1981), Idris Mahmud & Co. (established in 1991). Currently, four (4) reputable partners are responsible for the operation of ASICO, to provide quality professional services, both nationally and internationally. All partners of the firm are enthusiastic chartered accountants, having diversified experiences with Big Four accounting firms namely, EY and KPMG and in the multi-dimensional arena.

The firm has its head office located in Banani, Dhaka and a branch office in the industrial city of Chattogram. Both the offices are well-equipped with modern technologies and amenities to support smooth operation of its professional services to the clients.

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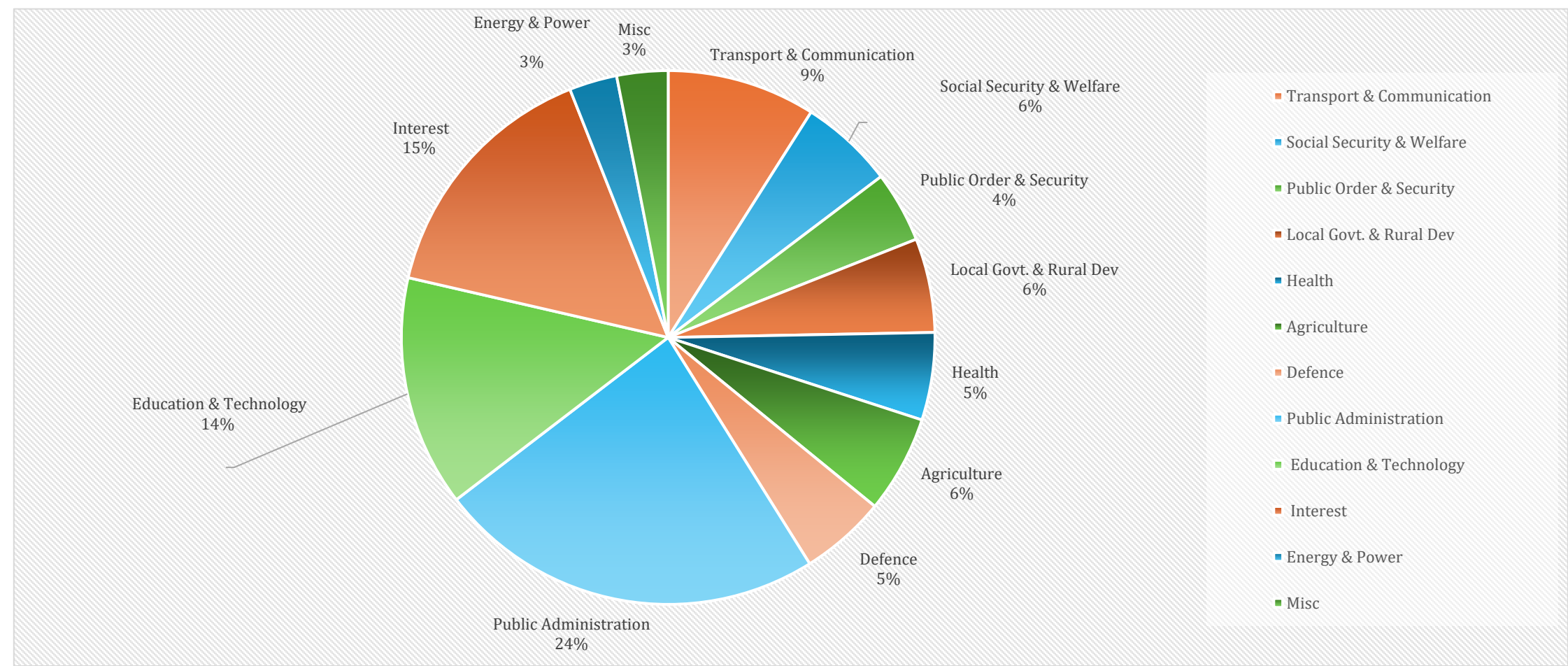
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Highlights of National Budget FY 2025-2026

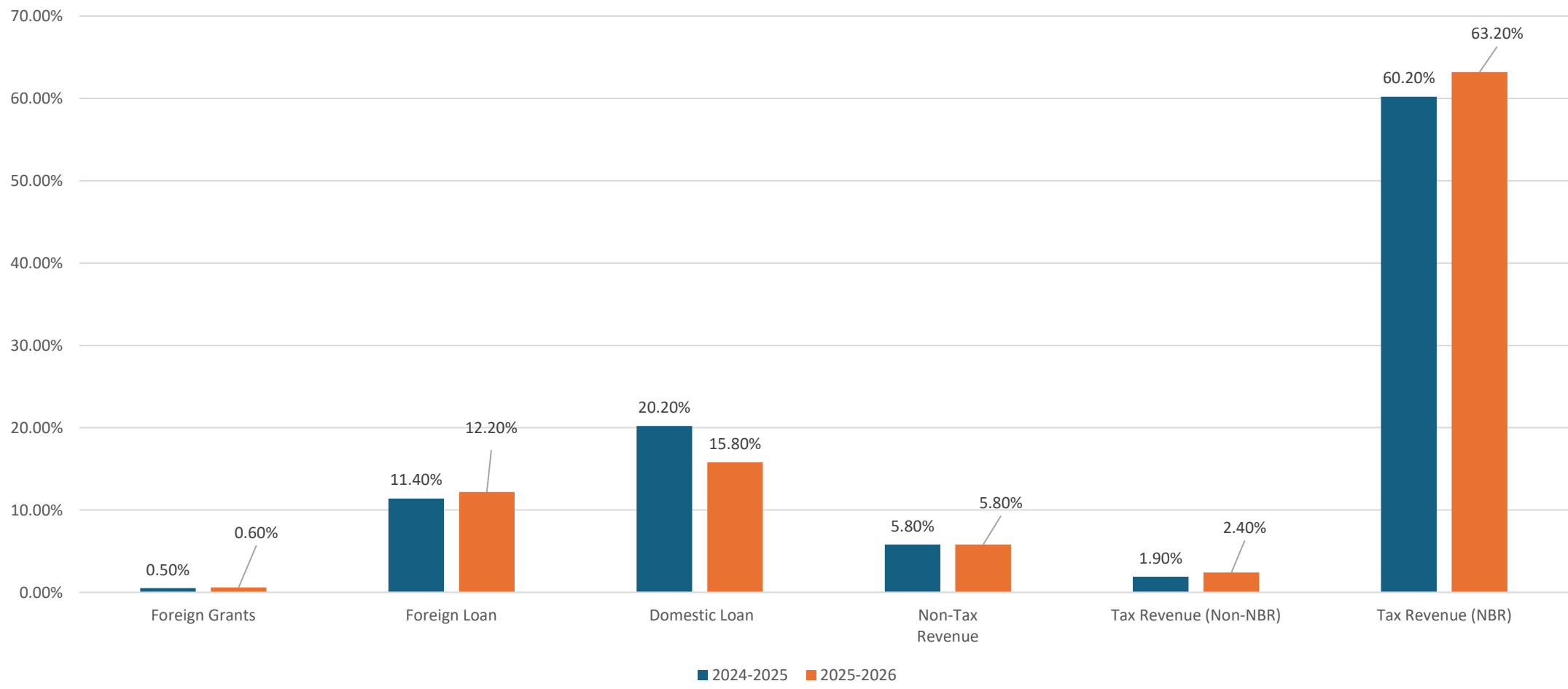
Summarized view of National Budget FY 2025-2026

SN.	Particulars	Budget	Revised	Budget	Budget	Changes (%)
		2025-26	2024-25	2024-25	2023-24	
1	Total size of budget	790,000	744,000	797,000	714,418	6.18%
2 (3+4+5)	Revenue earnings	564,000	518,000	541,000	478,001	8.88%
3	- NBR Collection/Tax	499,000	463,500	480,000	410,001	7.66%
4	- Non-NBR Tax	19,000	14,500	15,000	19,000	31.03%
5	- Non Tax Receipts	46,000	40,000	46,000	49,000	15.00%
6 (1-2)	Budget Deficit	- 226,000	- 226,000	-256,000	-236,417	0.00%
7	Local Borrowing	125,000	117,000	160,900	156,625	6.84%
8	Borrowing from Banks	104,000	99,000	137,500	155,935	5.05%
9	Foreign Grants	5,000				
9	GDP growth target	5.50%		6.75%		
10	GDP size	6,244,578	5,552,753	55,97,414	50,48,027	
11	Estimated Inflation	6.50%		6.50%		

Distribution of Budget 2025-2026



Revenue sources for Budget 2025-26





Personal Tax

Amount of Taxable Income			
Existing (FY 2024-25)	Rate	Proposed (FY 2025-26 & 2026-27)	Rate
First Tk. 350,000 or as applicable	Nil	First Tk. 375,000 or as applicable	Nil
Next Tk. 100,000	5%	Next Tk. 300,000	10%
Next Tk. 400,000	10%	Next Tk. 400,000	15%
Next Tk. 500,000	15%	Next Tk. 500,000	20%
Next Tk. 500,000	20%	Next Tk. 2,000,000	25%
Next Tk. 2,000,000	25%		
		On the balance	30%
On the balance	30%		

- Minimum tax payable will be Tk. 5,000 regardless of work location. However, in the case of new taxpayers, the minimum tax payable will be Tk. 1,000.
- In addition to spouses, parents, and children, siblings (brothers and sisters) have also been included under the scope of tax-exempt donations.
- Maximum exemption on salary income is proposed to be increased from Tk. 450,000 to Tk. 500,000.
- Group insurance premiums paid by the employer on behalf of employees shall not be treated as income from salary.
- Agriculture income is exempted upto Taka 5 lac from existing Taka 2 lakh
- Income from poultry, fish heathery also exempted upto Taka 5 lakh
- The threshold of gross receipts for individuals, for the purpose of minimum tax calculation, is proposed to be increased from Tk. 3 crore to Tk. 4 crore.

Corporate Tax

Corporate tax Rate

Description	Existing (FY 2024-2025)	Proposed (FY 2025-2026 & 2026-2027)
	Tax rate	Tax rate
Publicly traded company that transfer shares worth more than 10 % of its paid-up capital through IPO	20.00%	20.00%
Publicly traded company that transfer shares worth 10% or less than ten percent of its paid-up capital through IPO	25%	27.50%
Non-publicly traded company	27.50%	27.50%
One Person Company (OPC)	22.50%	27.50%
Publicly Traded Bank, Insurance and Finance Company (except Marchant Bank)	37.50%	37.50%
Non-Publicly Traded Bank, Insurance and Finance Company (except Marchant Bank)	40.00%	40.00%
Marchant Bank	37.50%	27.50%
Cigarette Manufacturing Companies (Biri, Zarda, Chewing tobacco, gul and any other smokeless toacco manufacturing Company)	45.00%	45.00%
Mobile Phone Companies- (Publicly Traded)	40.00%	40.00%
Mobile Phone Companies- (Non Publicly Traded)	45.00%	45.00%
Other than company, trust, fund, AOP and Others	27.50%	27.50%
Co-operative society	20%	20%
Private University, medical college, dental college, private engineering college etc.	15%	15%

The allowable perquisite limit is proposed to be set at Tk. 20 lac instead of existing 10 lac.

- Payment of royalty, license fee, technical services fee, technical know-how fee or technical assistance fee exceeding the lower of 6% of business turnover or 15% of net business profit shall not be allowed as a deductible expense.
- If more than 50% of any expense (excluding salary, rent and raw material payments) is made with- out using a bank transfer, 25% of the amount so paid without bank transfer will be disallowed.
- Disallowed expenses u/s 55 will be treated as Special Business Income for tax exempted entities and taxed at the applicable regular rate. However, where an entity qualifies for a reduced tax rate, the disallowed expenses will also be taxed at that reduced rate - except in cases where tax has not been deducted or collected at source under Chapter 7 of the ITA, 2023.
- Financial statement must be audited by a Chartered Accountant
- If excess tax paid due to minimum tax payment than excess amount paid over regular tax will be adjusted in subsequent years
- To discourage cash transactions among taxpayers doing business and to simplify tax compliance, the previous provision requiring transactions to be made via banking channels has been relaxed. Now, apart from expenses for salary, rent, and raw materials, if more than 50% of total payments for all other types of expenditures are made through non-banking channels, 25% of the amount paid through non-banking channels will be treated as non- allowable expenditure.

Minimum Tax on gross receipts is proposed to be updated as follows:

Particular	Existing (FY 2024-2025)	Proposed (FY 2025-2026 & 2026-2027)
Mobile phone operator	2%	1.50%
Individual other than one engaged in the manufacture of cigarettes, bidis, chewing tobacco, smokeless tobacco or any other tobacco products	0.25%	1%
Any other cases	0.60%	1%

Initiative for Capital Market

- To encourage profitable and reputed domestic and foreign companies to be listed in the stock market, the gap in corporate tax rates between listed and non-listed companies has been increased from 5% to 7.5%.
- To encourage investment and transactions in the capital market, the source tax collection rate from brokerage houses on total transaction value has been reduced from 0.05% to 0.03%.

Tax on capital gain

- To prevent accumulation of undisclosed fund in the hands of land sellers and to ensure property registration at actual sale value, the source tax collection rate from capital gains on land transfer has been reduced from existing 8%, 6%, and 4% to 6%, 4%, and 3% respectively depending on locality.
- Based on location of the land, a minimum capital gain tax on sale of land has been fixed at ranging Taka 5 hundred per decimal to Taka 9 lakh per decimal of land.
- If any amount beyond the deed value is received during the transfer of land or land with infrastructure, and this excess amount is verifiable through documents and bank statements, it shall be subject to taxation at the rate applicable for capital gains.

Changes in Withholding Taxes

Section	Particular	Existing rate	New rate
Section -89	In case of supply of rice, wheat, potato, Fish, Meat, onion, garlic, peas, chickpeas, lentils, ginger, turmeric, dried chilies, pulses, maize, coarse flour, flour, salt, edible oil, sugar, black pepper, cinnamon, cardamom, clove, date, cassia leaf, jute, cotton and yarn	1%	0.50%
	In case of supply of oil by any company engaged in oil refinery, any amount	2%	1.50%
	Gas Distribution company	2%	0.60%
	In case of supply of industrial raw materials to a manufacturer	3%	1.50%
	Payment to contractors & sub-contractors for the deed/agreement of Manufacture, process or conversion, Civil work, construction, Engineering or any similar type of service	7%	5%
Section-90	Advisory and Consultancy, Professional Services - (Individual person)		15%
	Advisory and Consultancy, Professional Services- (Other than Individual person)	10%	7.50%
	Indenting Commission	8%	7.50%
	Internet service	10%	5.00%
	Freight forward agency service on gross bill	2.50%	1.50%
Section-91	Intangible assets- below TK 2,500,000	10%	10% on Base Value
	Intangible assets- above TK 2,500,000	12%	

Section	Particular	Existing rate	New rate
Section-97	Local LC under financing agreement	1%	1.50%
	Local LC - Paddy, Paddy husk, rice, wheat, patato, cattle, fish, meat, onion, garlic, peas, chickpeas, lentils, ginger, turmeric, dry chilies, pilses, maize, flour, salt, edible oil, sugar, seeds, jute sticks, mustard, sesame, raw tea leaves, pepper, cardamom, cinnamom, cloves, bay leaves and jute	1%	0.50%
Section-98	Payment of fees by tower sharing companies to regulatory companies	N/A	20.00%
Section-106	Discount or interest or profit on securities of government or any person, responsible for issuing securities approved by BSEC	5%	10.00%
Section-109	House Rent	5%	10.00%
Section-110	Service from convention hall, conference center	5%	10.00%
Section-114	Purchase of power from Bangladesh Power Development oard	6%	4.00%
Section-116	Commission or remuneration paid to agent of foreign buyer	10%	7.50%
Section-124	Freight forwarding agent on gross bill or Commission including gross bill	2.5%	1.50%
Section-135	Collection of tax on gain from transfer of securities	10%	15.00%
Section-137	Collection of tax on payment of Shares, debentures and mutual funds from members of stock exchange	0.05%	0.03%

Section	Particular	Existing rate	New rate
Section-138	Bus- More than 52 sits	16,000	25,000
	Bus- less than 52 sits	11,500	20,000
	Ac Bus	37,500	50,000
	Double dacer Bus	16,000	25,000
	AC mini bus/ coster	16,000	25,000
	Non AC mini bus/ coster	6,500	12,500
	Prime Mover	24,000	35,000
	Truck, Lorry, Tank Lorry- More than 5 Ton	16,000	30,000
	Truck, Lorry, Tank Lorry- More than 1.5 Ton less than 5 Ton	9,500	15,000
	Truck, Lorry, Tank Lorry- not more than 1.5 Ton	4,000	7,500
	Pick up van, human Hallar, Maxi or Auto rickshaw	4,000	7,500
	AC Taxi Cab	11,500	15,000
	Non-AC Taxi Cab	4,000	7,500

Monthly withholding income tax return is proposed to be replaced by quarterly. Previously it was monthly.

Date of Financial year	Applicable Months
25 October	July, August and September
25 January	October, November and December
25 April	January, February and March
25 July	April, May and June

Return and Audit

- A clear definition has been given regarding return submission

Types of Taxpayers	Date of submission of return
For Individual person and HUD Family	30 November
Other than Individual person and HUD Family	15th day of 9th month
New Assessee	Next 30 June at end of income year

However, Individual Taxpayers may apply to the Commissioner of taxes for a time extension up to 90 days for filing of return .

- To resolve field-level complexities in auditing returns submitted under self-assessment scheme and to make the audit process more effective and simplified, relevant audit provisions in the tax law have been replaced.
- The penalty for filing returns under the self-assessment scheme beyond the specified date has been rationally reduced.

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- Organizations such as the Bangladesh Telecommunication Regulatory Commission, Bangladesh Securities and Exchange Commission, Cantonment Boards, and other bodies, authorities, commissions, institutes, boards, academies, or similar organizations established under a law or government order and that do not engage in commercial activities and receive regular government funding for meeting partial or full operational expenses have been exempted from the obligation to file tax returns;
- Funds, orphanages, shelters, and institutions established for religious purposes have also been exempted from the requirement to file tax returns;
- To expand the tax base, promote tax culture, and simplify compliance, the existing requirement to submit proof of return filing for receiving 45 services has been relaxed. Now, only a Taxpayer Identification Number (TIN) certificate is required for receiving 12 services including issuance of credit card;

Tax exemptions

As part of the rationalization of tax exemptions, the following measures have been taken:

- Tax exemption benefits for certain sectors, that were set to expire on June 30, 2025, have not been extended.
- Persons who were originally Bangladeshi by birth but later renounced their Bangladeshi citizenship and have not properly paid taxes on income earned in Bangladesh and have instead transferred such funds abroad by various means will now be subject to applicable taxes and penalties on such laundered assets.
- A 'Direct Tax Expenditure Report' is published as part of the budget process. Direct tax expenditure refers to the total revenue foregone due to tax exemptions, reduced tax rates, or similar tax benefits granted to specific groups of taxpayers for economic or social protection. Such expenditures cut back on the potential tax revenue.



Value Added Tax

- The advance tax rate on import of industrial raw materials by manufacturing units has been reduced to 2% (two percent) from 3% (three percent).
- Submission of the return for government, semi-government, autonomous bodies, banks, insurance companies and zero-return filers is proposed to be extended from 15th day to 20th day.
- Provision has been made to maintain records by using Enterprise Resource Planning (ERP) software.
- For construction companies, suppliers, and clearing and forwarding organizations, the tax period is defined as a six-month period ending on 30 June or 31 December. However, this does not apply to withholding entities
- If a commercial importer pays 7.5% Advance Tax (AT) at import and the local value addition on that import is 50% or less, no VAT will be payable on the first sale post-import provided a challan (Mushak 6.3) is properly issued
- The time period for filing returns by construction companies, suppliers, and C&F agents has been changed to every 6 (six) months instead of every month.
- The time period for advance tax adjustment, refund application, and taking input VAT rebates has been increased from 4 (four) months to 6 (six) months.
- The installment period for arrear VAT payment is proposed to be increased from 12 months to 18 months.
- No input-output coefficient ratio deceleration in case of supply of service
- VAT deduction is proposed to not be required on the first sub-contractor's bill provided VAT has already been deducted and deposited by the customer on the main contractor's invoice.
- The penalty for taking unlawful input VAT rebate has been reduced to 30% to 50% range, from the previous range of 50% to 100%.

Changes in VAT rate

H.S. Code/ Service Code	Description of Goods/Services	VAT Rate	
		Existing (FY 2024-25)	Proposed (FY 2025-26)
82.12	Blades made from stainless steel strips and carbon steel strips	5%	7.5%
87.07	Bus and truck chassis	15%	5%
27.11	LP Gas	Exempted	7.5%
39.24	All types of plastic-made tableware, kitchenware, household items (excluding tiffin boxes and water bottles), hygiene and toiletry products.	7.5%	15%
48.09	Self-copy paper	7.5%	15%
48.10	Duplex board/coated paper	7.5%	15%
52.05 to 52.07	Cotton Thread	Tk. 3 (Per Kilogram)	Tk. 5 (Per Kilogram)
54.02 to 54.10 and 55.12 to 55.16	Yarn made from a blend of man-made fibers and other fibers, with man-made fibers constituting the majority.	Tk. 3 (Per Kilogram)	Tk. 5 (Per Kilogram)
72.04	Scrap and ship Scrap	Tk. 1,000 (Per Metric Ton)	Tk. 1,200 (Per Metric Ton)
S004.00	Construction firm	7.5%	10%
S099.50	Credit rating agency	7.5%	15%
S099.60	Product sale on online marketplace	5%	15%

Excise Duty:

Excise duty exemption limit increased to Taka 3 (three) lakh instead of Taka 1 (one) lakh

Price impact on Commodities due to proposed budget:

The price may increase	The price may decrease
Cigarettes	Sugar
Online shopping	Sanitary Napkin
Rod, cement sheet	Ice cream
Soap-shampoo	Land registration fee
Country made Mobile phones	Cancer drugs
Household plastic items	Insulin
LPG, Domestically produced LPG cylinders	LNG
Flat	Tire
Helicopter service	Domestically made e-bike
Domestically made washing machines, microwave ovens, electric ovens, blenders, juicers, mixers, grinders, electric kettles, irons, rice cookers, pressure cookers	Clay pot, Paper Plates Others
Blade, Locally made elevator	Domestically made Large monitor of computer
Domestically made four stroke three-wheeler	Aircraft Fare
OTT content	Lithium-Griffin Battery
Commercial building (Commercial space)	
Self-copy paper-duplex board coated paper	
Ballpoint pen, Man made fiber	
Screws-nuts-bolts, Surgical kits, Yarn	
Ship Scraps Goods, Credit Rating Service	
Three-wheeler battery, setup box	



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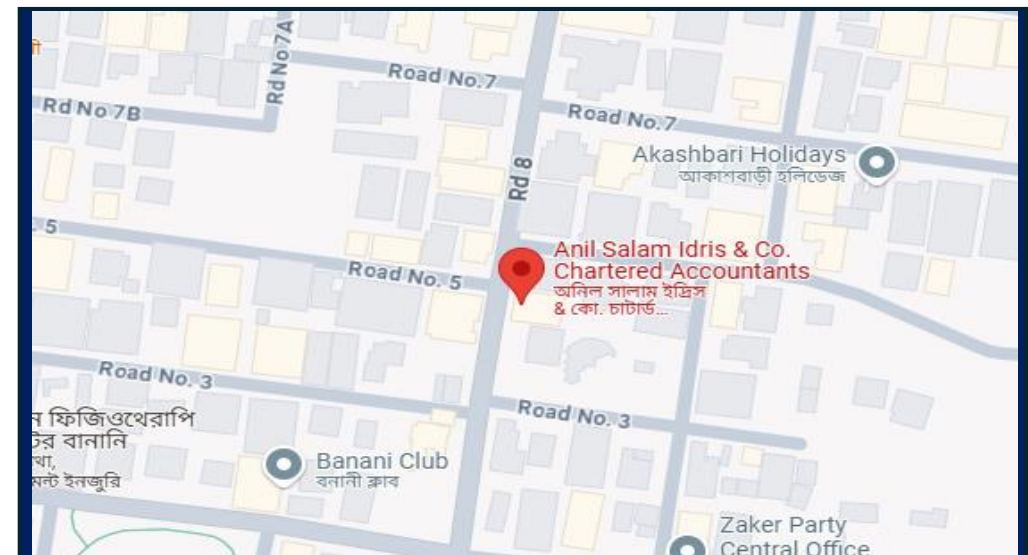
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The background features a vibrant, abstract design. On the left, there is a dense cluster of blue and cyan splatters of various sizes. To the right, a lighter, more dispersed area contains pink, purple, and orange splatters. A large, semi-transparent, light-colored oval shape is positioned in the center, partially overlapping the blue splatters on the left and the pink/orange splatters on the right. The text "Thank You" is centered within this oval.

Thank You