

NATIONAL BUDGET 2026–2027

- Highlights of National Budget 2026-2027
- Key Insights of the Proposed Finance Bill 2026



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Preface

The Honorable Finance Minister of the Government Mr. Amir Khasru Mahmud Chowdhury, presented the National Budget for FY 2026–2027 on 11 June 2026. This summarized information provides a salient overview about the national budget proposals for 2026-2027 and the changes brought in by the Finance Act 2026 and the SROs issued thereafter.

The information contained in this document is of a general nature and is not intended to address the circumstances of any particular individual. ASICO shall not be liable in respect of any loss, damage or expenses of any nature caused by the use of this presentation. Although we aim to provide accurate and updated information, we do not provide assurance that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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

Who We Are!

ASICO is a leading Chartered Accountancy firm in Bangladesh

- Established in 2015 through the merger of:
 - A.B. Das & Co. (1976)
 - A. Salam & Co. (1981)
 - Idris Mahmud & Co. (1991)
- Led by four (4) reputable partners with an average partner experience of over 25 years
- Partners are Chartered Accountants with experience from Big Four firms (EY & KPMG)
- Delivering services nationally and internationally

Key Facts

- Legal Status: Partnership Firm
- Qualified Chartered Accountants other than partner: 02

Our Core Values



Foreign Affiliation: An Affiliated firm of EMA², UK

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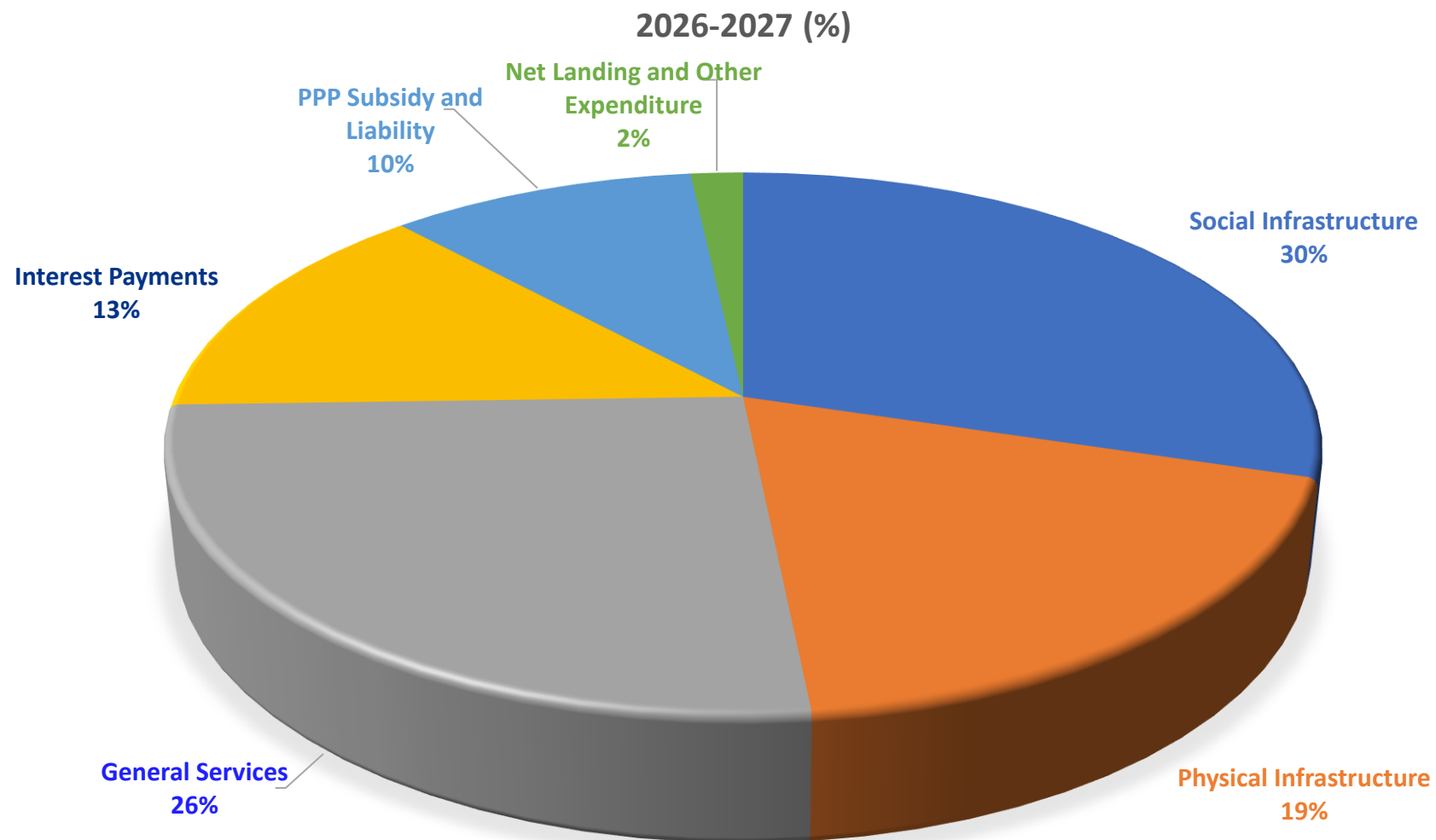
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Highlights of National Budget FY 2026-2027 (in crore)

Summarized view of National Budget FY 2026-2027

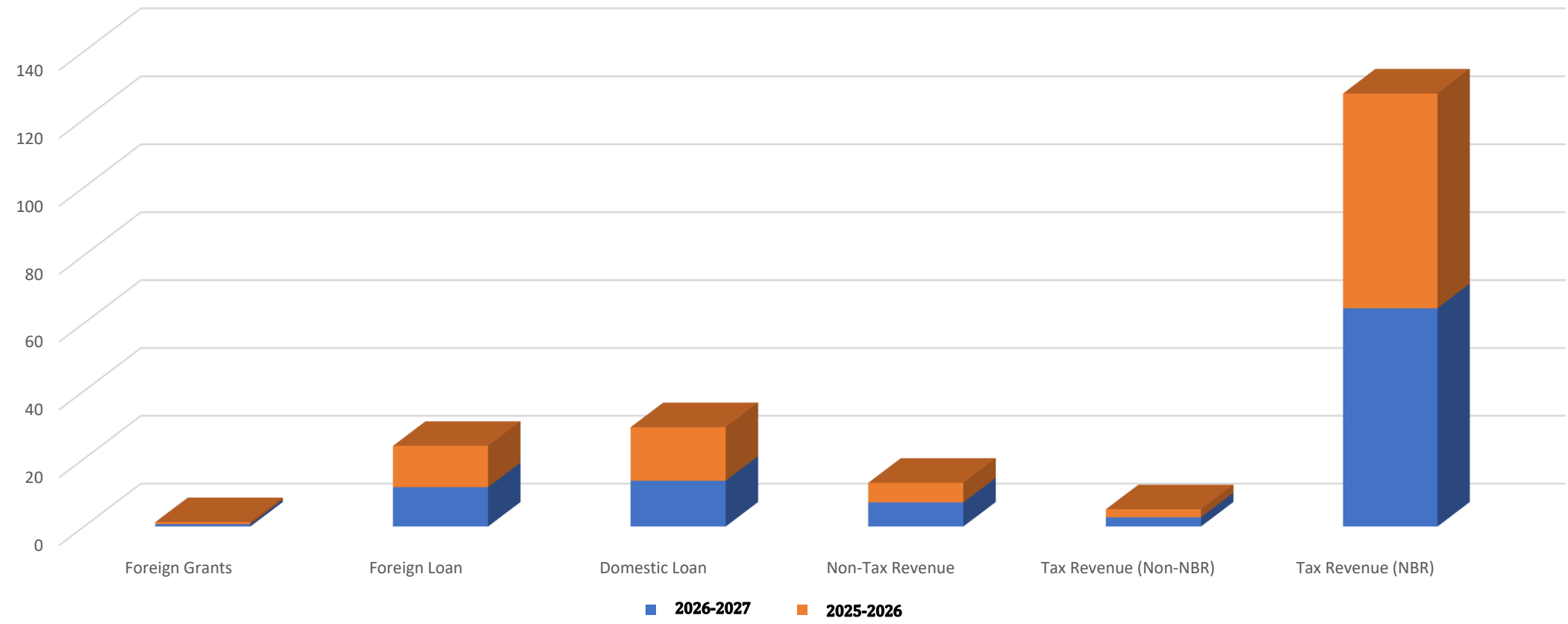
SL.	Particulars	Budget	Revised	Changes (%)
		2026-27	2025-26	
1	Total size of budget	938,000	788,000	19.04%
2 = (3+4+5)	Revenue earnings	695,000	588,000	18.20%
3	- NBR Collection/Tax	604,000	503,000	20.08%
4	- Non-NBR Tax	25,000	20,000	25.00%
5	- Non Tax Receipts	66,000	65,000	1.54%
6=(2-1)	Budget Deficit	(243,000)	(200,000)	21.50%
7	Local Borrowing	15,000	19,000	(21.05%)
8	Borrowing from Banks	112,000	118,000	(5.08%)
9	Foreign Grants	116,000	63,000	84.13%
10	GDP size	6,830,024	6,080,320	12.33%

Distribution of Budget 2026-2027



Revenue sources for Budget 2026-27

Chart Title



Direct Tax

Personal Tax

Existing (FY 2026-27 & 2027-28)	Rate	Proposed (FY 2028-29 & 2029-30)	Rate	Proposed (FY 2030-31)	Rate
First Tk. 375,000 or as applicable	0%	First Tk. 400,000 or as applicable	0%	First Tk. 450,000 or as applicable	0%
Next Tk. 300,000	10%	Next Tk. 300,000	10%	Next Tk. 300,000	10%
Next Tk. 400,000	15%	Next Tk. 400,000	15%	Next Tk. 400,000	15%
Next Tk. 500,000	20%	Next Tk. 500,000	20%	Next Tk. 500,000	20%
Next Tk. 2,000,000	25%	Next Tk. 2,000,000	25%	Next Tk. 2,000,000	25%
On the balance	30%	Next Tk. 26,400,000	30%	Next Tk. 26,350,000	30%
		On the balance	35%	On the balance	35%

Tax-Free Income Limits	Amount (BDT)	Tax-Free Income Limits	Amount (BDT)	Tax-Free Income Limits	Amount (BDT)
General Individuals	375,000	General Individuals	400,000	General Individuals	450,000
For Women & Senior Citizen (Ages 65+)	425,000	For Women & Senior Citizen (Ages 65+)	450,000	For Women & Senior Citizen (Ages 65+)	500,000
For 3rd gender assessee & handicapped/disabled persons	500,000	For 3rd gender assessee & handicapped/disabled persons	525,000	For 3rd gender assessee & handicapped/disabled persons	575,000
For Gazated war wounded freedom fighter & injured "July Warrior" in the July Mass Uprising 2024	525,000	For Gazated war wounded freedom fighter & injured "July Warrior" in the July Mass Uprising 2024	550,000	For Gazated war wounded freedom fighter & injured "July Warrior" in the July Mass Uprising 2024	600,000

The threshold limit in case of parents or legal guardian of any person with disability will be Tk. 50,000 more for each disabled dependent. If both father and mother of the disabled person is assessee then any one will avail this benefit.

Minimum Tax	Amount (BDT)
For Existing taxpayer	5000
For New taxpayer	1000

Corporate Tax

Corporate tax Rate

Description	Existing (FY 2025-2026) Applicable Tax Rate	Tax Rate (Upon Compliance with Conditions)	Proposed (FY 2026-27 to 2030-31) Tax rate	Tax Rate (Upon Compliance with Conditions) ²
Publicly traded company that transfer shares worth more than 10 % of its paid-up capital through IPO	22.50%	20.00%	22.50%	20.00%
Publicly traded company that transfer shares worth 10% or less than ten percent of its paid-up capital through IPO	25.00%	22.50%	27.50%	25.00%
Non-publicly traded company	27.50%	25.00%	27.50%	Condition N/A
One Person Company (OPC)	22.50%	20.00%	0.00%	Condition N/A
Publicly Traded Bank, Insurance and Finance Company (except Marchant Bank)	37.50%	Condition N/A	37.50%	Condition N/A
Non-Publicly Traded Bank, Insurance and Finance Company (except Marchant Bank)	40.00%	Condition N/A	40.00%	Condition N/A
Marchant Bank	37.50%	Condition N/A		
Cigarette Manufacturing Companies (Biri, Zarda, Chewing tobacco, gul and any other smokeless tobacco manufacturing Company)	45.00%	Condition N/A	45.00%	Condition N/A
Mobile Phone Companies- (Publicly Traded)	40.00%	Condition N/A	45.00%	Condition N/A
Mobile Phone Companies- (Non Publicly Traded)	45.00%	Condition N/A	45.00%	Condition N/A
Other than company, trust, AOP and Firms	27.50%	Condition N/A	27.50%	Condition N/A
Co-operative society	20%	Condition N/A	20%	Condition N/A
Private University, medical college, dental college, private engineering college or private colleges engaged exclusively in information technology education	15%	Condition N/A	10%	Condition N/A

Condition-1: All income and receipts must be made through bank transfer. Any single transaction exceeding BDT 500,000 and annual transactions exceeding BDT 3,600,000 as expenses and investments must be made through bank transfer.

Condition-2: If all income is received through bank transfer during the income year.

Condition3: If at least 10% of paid-up capital (with Pre-IPO Placement not exceeding 5%) is transferred through a stock exchange and the company becomes publicly traded, the applicable provisions shall apply. If at least 20% of paid-up capital is offered through IPO, the company will enjoy a 10% tax rebate on the applicable income tax for the relevant year.

New Definition proposed for the purpose of Income Tax

- Raw material_ Element Defined
- Person_ Scope widened by inclusion of Artificial Juridical Person (AJP)
- Company_ Scope widened by including state owned companies
- Association Of Person (AOP)
- Associated Enterprise_ Relationship specified,
- Developer_ capital assets _ included non-commercial jewelry, digital currency, paintings & antiques

Changes in Corporate Tax Computation_ Loan to Associated Entity (AE)

- If loan provided to AE and the interest rate is less than 12% then it will be considered as income for the amount of less interest portion.
- Unpaid interest for loans taken from any person other than bank & NBFIs for more than 3 years will be considered as income

Other Changes in Corporate Tax Computation

- Royalty, Technical know-how fee will be considered as income from Business and Profession.
- 0.10% of turnover now considered as allowable expenses as tea, coffee, water, stationery, paper, snacks etc.
- Perquisite are now allowable up to 25lac from existing 20 lac.
- Entertainment expenses are now allowable 4% of determined business income before deducting entertainment expenses
- Limit for foreign travel and promotional expenses increased to 1% to existing .5% of turnover.

Special Changes in Section 56

- **(for Revenue Expenditures)** No expenses will be disallowed now for not deducting tax at the time of making payment rather tax will be paid 50% higher of the respective tax withholding rate. Example withholding tax rate is 10% tax payable (10%+5%) I.e: 15%
- **(for Capital Expenditures)** If tax is not deducted on acquisition of any assets tax is payable @ withholding tax rate +@50% thereon. In addition to that equivalent income (of the withholding tax payment) will be added as income from other sources.

Changes in Financial reporting, tax return preparations

- Audited Statement of Financial Position and Income Statements by a Chartered Accountants as well as Certified Income Computation Sheets by CA, CMA and ITPs are mandatory for all company and Firm, AoP, HUF,AJP and having business turnover more than 10 cr or Capital 5Cr.
- Income computation Sheet (ICS) should be prepared and certified by CA, CMA, or ITP for all except natural persons and for individuals having business u/s 113 (Jewelry business) and who has the responsibility to deduct tax at the time of retail sale u/s 130(KA).

Changes in Individual Tax Computation

- Investment rebate is allowable up to 10% total investment (from existing 15%) or 7.5 lakh (from existing 10 lakh) or 3% of total income.
- Exemption from Income as per 6th Schedule:
- Income from freelancing and content creator
- Exemption in Small and Cottage are subject to SME foundation registration
- Investment rebate available for donation to center for Zakat Management

Other Changes

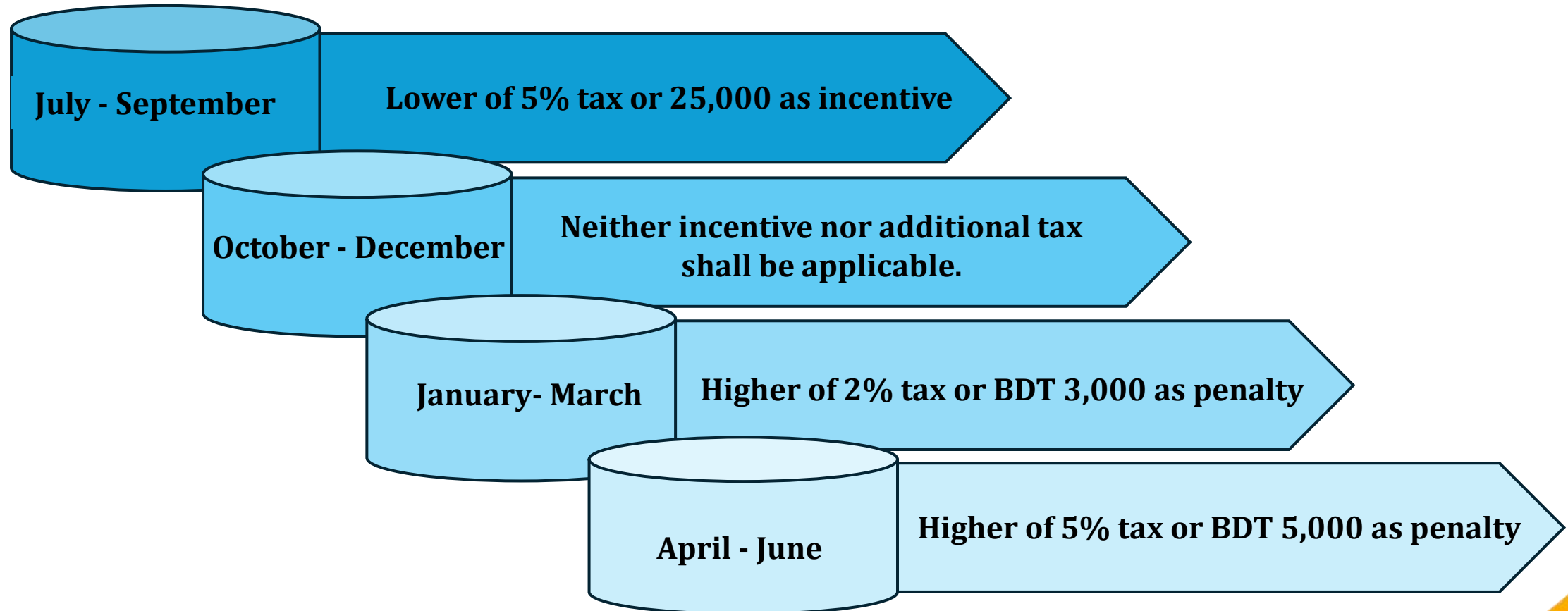
- Activities u/s 147 for WHT inspection by Tax Authority now can be done for current FY and previous 2 years.
- Tax deducted at source shall be refundable in excess of computed regular tax within 120 days in case of return submitted u/s 180 and other case within 60 days from receipt of application.

Reduce Tax deposit requirements filing appeal to Tribunal/High Court

- Tax payable at the time of filling appeal to the tribunal has been reduced to 3% from 10%.
- Tax payable at the time of filling appeal to the High Court has been reduced to 10% from 25%.

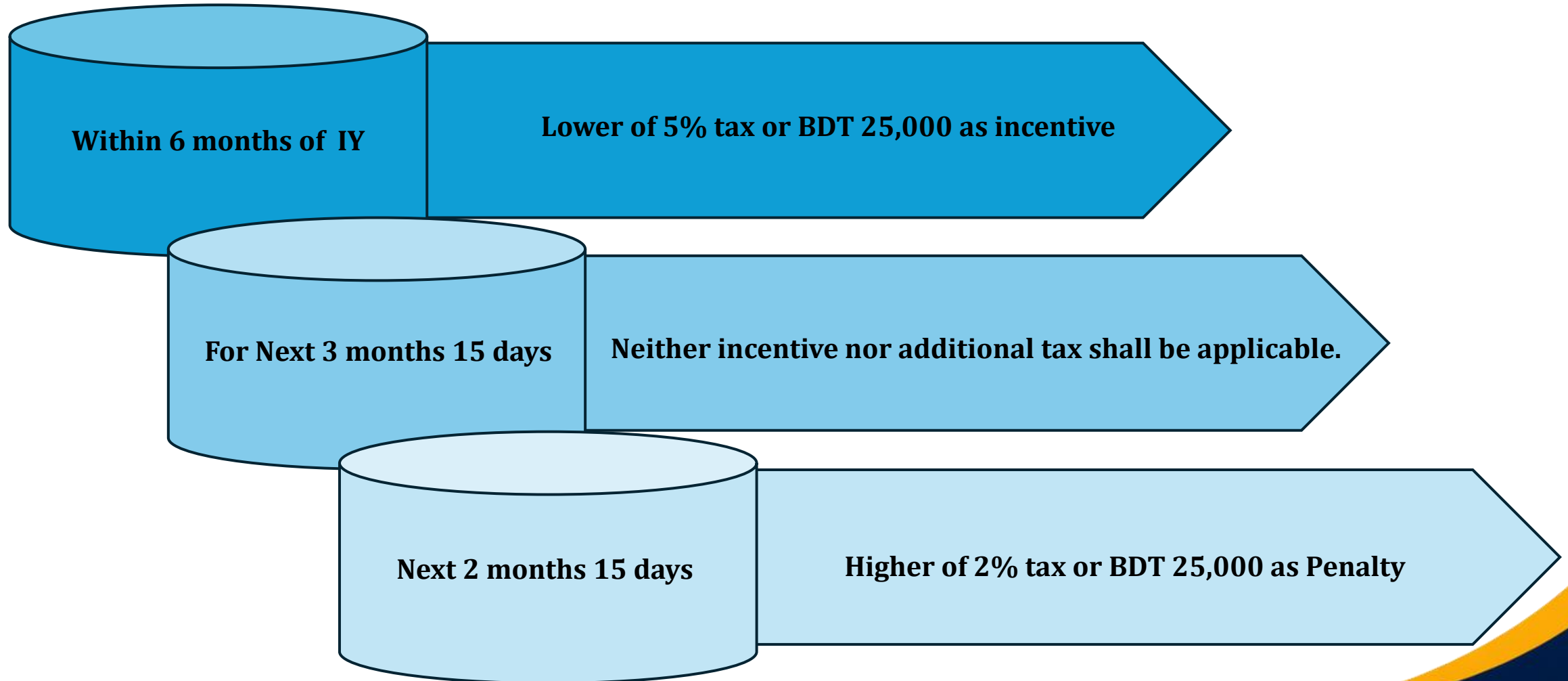
Time limit for filing returns for Individual & HUF taxpayer.

Tax return can be submitted throughout the year subject to incentives for early tax return submission & penalties for late tax return submissions:

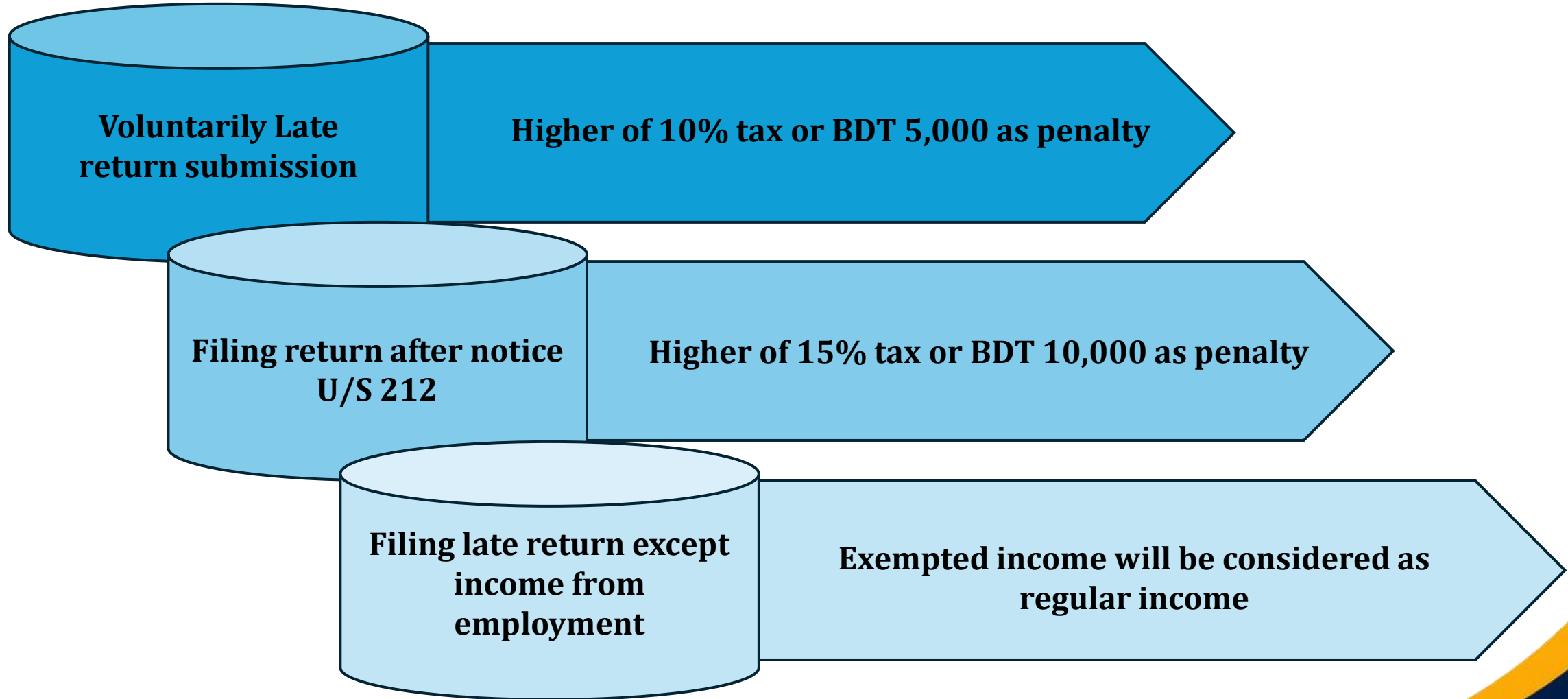


Time limit for filing returns for except Individual & HUF taxpayer.

Tax return can be submitted throughout the year subject to incentives for early tax return submission & penalties for late tax return submissions:



Penalties for late submission of return



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

Class of Taxpayer	Proposed (FY 2026-2027)	Existing (FY 2025-2026)
Manufacturer of cigarettes, bidi, chewing tobacco, smokeless tobacco, gul, or any other tobacco products.	3.00%	3.00%
Manufacturer of carbonated beverage, sweetened beverage	2.50%	3.00%
Mobile phone operator, NTTN	1.50%	1.50%
Any individual taxpayer other than a manufacturer of cigarettes, bidi, chewing tobacco, smokeless tobacco, gul, or any other tobacco products.	-	1%
Any other cases	1%	1%

Changes in Withholding Taxes

Section	Particular	For AY 2025-2026	For AY 2026-2027
Section-97	If the payment related to local letter of credit (L/C) and any other financing agreement in respect of sale of cement, iron or iron products, ferro alloy products except MS Billets.		2%
Section-98	Payment of fees by tower sharing companies to regulatory companies	20%	Repealed
Section -112	Deduction from export cash subsidy	10%	5%
Section-112Ka	Sale of ornaments made by bronze, silver, gold, silverware, precious stones, diamonds, or platinum, tax shall be deducted at source by Seller from Purchaser	0%	0.50%
Section-114	Deduction from Electricity Purchase	4%	3%
Section-118	Deduction from lottery, Puzzle, Card, online game, Betting, Hourse ride and betting etc.	20.00%	25.00%
Section- 124	Any income in connection with any service provided to any foreign person by a resident person;	7.50%	5.00%
	Freight Forward agent & Shipping Agent	1.5% on Commission or Gross Bill	1% on Gross Bill 10 % on Commission (Whichever is higher)
Section-130	Collection from the manufacturer of brick	A)Tk.80,000 for not exceeding 108,000 square feet sized brickfield, B)Tk.120,000/-for exceeding 108,000 Sf - Up to 124,000 square feet sized brickfield, C)Tk.160,000/- for exceeding 124,000 square feet sized brickfield, D)Tk. 220,000/- for other brickfield not mentioned as above	A) Tk 1,00,000 for capacity not exceeding one section or 1,08,000 cubic feet sized brickfield, B) Tk 1,50,000 for one and a half sections or 1,08,000 cubic feet but not exceeding 1,24,000 cubic feet sized brickfield, C) Tk 2,00,000 for capacity exceeding two sections or 1,24,000 (one lakh twenty-four thousand) cubic feet sized brickfield D) Tk 3,00,00 or other brickfield not mentioned as above"
Section-130KA	Collection of Tax from retail sellers.	-	0.20%
Section-137KA	Tax shall be collected at source for membership of registered Club at the time of admission, renewal, transfer, or change in membership.	-	10.00%

INDIRECT TAX

Additional Requirement for Business Identification Number (BIN) Exposure

BIN is mandatory for:

- Maintaining current or STD accounts by business entities;
- Obtaining loans from banks, NBFIs, or other FI
- Renewal of trade licenses;
- Opening merchant accounts with Mobile Financial Service (MFS) providers;
- Obtaining or renewing membership in trade associations
- Obtaining electricity and gas connections for business establishments; and
- Registering vehicles in the name of a business entity with BRTA.

Changes in Computation of VAT

- In case of imported services VAT Rate for Import of services will be 15% irrespective of its nature except service exempted under 1st Schedule
- Registered entity is eligible to claim a 100% input tax credit on transportation services instead of existing 80 %
- Turnover Tax fixed up to TK 200,000 from 4% of turnover tax

Changes in Submission of VAT return

- VAT return is now to be submitted quarterly instead of monthly interval, in this case VAT is payable on monthly basis equal to 1/3 of VAT paid in previous 3 months. In 3rd month, actual adjustments will be applied on entire quarter.
- Any registered person may choose to submit monthly VAT return voluntarily
- Penalty for false increasing / Decreasing adjustment reduced to minimum 30%(from existing 50%) and maximum 50%(from existing 100%) of the increasing or decreasing adjustment.

Title: Reduction of VAT payable in case of Appeal, Tribunal and HC

- Significant reduce in tax payable on tax payable at the time of submitting appeal to the appeal commissioner, Tribunal and High court

Appeal to	Existing	Proposed
Commissioner	10%	1%
Appellate Tribunal	10%	1%
High court	10%	2%

Other Changes in VAT ACT

- If any person selected for audit, required documents to be submitted within 2 months from the notice date and audit activities to be finished within 1 year
- Documents, Records & accounts maintains through software will be considered as legally accepted documents
- Special Provisions Relating to Payment of Payable Tax, Fine, or Dues, Interest payable on disputed case under VAT Act 1991 and VAT Act 2012 before 1 July 2022 have been fixed to maximum 24 months
- Services rendered by content creators and freelancers shall be exempt from VAT

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Thank You