

# LEGAL AND TAX DIGEST

BANGLADESH

LAOS

MYANMAR

Legislative developments – October 2024



# BANGLADESH



## Banking and Finance

*MPD Circular No. 05 dated 22 October 2024 issued by the Monetary Policy Department of the Bangladesh Bank on “**Refixing the Interest Rate Corridor**”*

The Monetary Policy Committee has taken decision to continue the Bangladesh Bank’s measures until the inflation target is met. As a result, the overnight repo policy rate has been raised by 50 basis points, increasing from 9.50% to 10.00%. To improve liquidity management by banks, the Standing Lending Facility upper limit has also been increased by 50 basis points, from 11.00% to 11.50%, while the Standing Deposit Facility lower limit has been raised from 8.00% to 8.50%. These changes took effect on 27 October 2024.

*FEDP Circular No. 27 dated 29 October 2024 issued by the Foreign Exchange Policy Department on “**Outward Remittances for Bandwidth and Related Service Imports**”*

Under this circular, authorized dealers (“ADs”) are directed to review their current procedure for remittances related to bandwidth and associated service imports by local businesses, which presently require specific approvals from the Bangladesh Bank on a case-by-case basis. ADs may now facilitate remittances for bandwidth service imports by Bangladeshi-incorporated business entities, provided the following requirements are met:

- The AD has obtained an application that includes:
  - Copies of the valid licenses from the relevant authorities for the specific services.
  - Copies of agreements with the related service providers.
  - Regulatory approvals from the Bangladesh Telecommunication Regulatory Commission (BTRC )or other relevant authorities, as applicable.
  - Copies of related invoices.
  - Documentary evidence of tax payments or an exemption certificate from the tax authority.
  - An undertaking from the applicant company to repatriate any incorrect or excess remittance to Bangladesh immediately if required.
  
- The AD has ensured the authenticity of the remittance request and source of funds by reviewing the required regulatory approvals, No Objection Certificates ( NOCs,) licenses, financial statements, and other relevant documents. This includes obtaining audited statements detailing earnings, expenses, and the net position (surplus/deficit)

for the remittance, along with collections from bandwidth service sales. The AD must have verified that the remittable funds are sourced from the respective business operations and meet all necessary regulatory reporting requirements.

- The AD has separate files for each remitting customer for Bangladesh Bank inspection purposes, meets the Bangladesh Bank routine reporting requirements, and complies with AML/CFT standards.
- The remittance is processed through a designated AD branch with notification sent to the Bangladesh Bank's head office or relevant area office.

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*FEDP Circular No. 28 dated 31 October 2024 issued by the Monetary Policy Department of the Bangladesh Bank on “Interest/Profit on Resident Foreign Currency Deposit Accounts”*

To provide wider flexibility, the Bangladesh Bank has withdrawn the prescribed rate of interest or profit on Resident Foreign Currency Deposit accounts. Thus, authorized dealers can now set the rate of interest/profit as they deem appropriate.

## SRO

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*SRO No. 375-Law/Income Tax-50/2024 dated 29 October 2024 issued by the National Board of Revenue on “Extension of the Tax Exemption Period for Renewable Energy-Based Power Plants”*

Under the powers granted by Section 76, subsection (1) of the Income Tax Act, 2023 (Act No. 12 of 2023), and subject to certain conditions, the National Board of Revenue is providing an income tax exemption under the Private Sector Power Generation Policy of Bangladesh to independent power producers who operate under the Build Own Operate model. This exemption applies to all companies that commence commercial production by 1 July 2025, and continues until 30 June 2030. Initially, a 100% exemption applies, which is gradually phased out over a period of time, as follows:

Tax Exemption Periods and Rates:

- For the first five years after the start of commercial production (Years 1, 2, 3, 4, and 5): 100%
- For the next three years (Years 6, 7, and 8): 50%
- For the following two years (years 9 and 10): 25%

All conditions specified in the Private Sector Power Generation Policy of Bangladesh must be fulfilled, and companies must operate in accordance with the provisions outlined in that policy. This order enters into effect from 1 July 2025.

# LAOS



## Corporate

*Notice No. 0426/ERD dated 24 October 2024 issued by the Enterprise Registration Department of the Ministry of Industry and Commerce on the “**Temporary Suspension of Enterprise Registration and Content Change Services**”*

To implement Article 16 of the Law on Enterprises (Amendment-2022) and support the launch of the new electronic business registration system (eBRS), the Ministry of Industry and Commerce will have to transfer data to the updated system. As a result, enterprise registration and content change services will be temporarily suspended from 1 to 15 November 2024 to facilitate this transition. Enterprises may resume these services after this period.

*Notice No. 0428/ERD dated 24 October 2024 issued by the Enterprise Registration Department of the Ministry of Industry and Commerce on the “**Requirement for Enterprises to Amend the Content of their Enterprise Registration Certificate**”*

This notice is to remind enterprise owners to ensure that their enterprise registration is accurate and complies with the new regulations, as follows:

1. **Update information:** If the enterprise was registered before 29 April 2024 and lacks a taxpayer identification number (“**TIN**”), or if it is not stated in the enterprise registration certificate (“**ERC**”), the enterprise owner must apply to change their ERC as per the amended Law on Enterprises No. 33/NA dated 29 December 2022.
2. **Obtain a TIN:** If the enterprise is operating without one, the enterprise owner must contact the tax authorities to obtain one and update their registration accordingly. If business activities have ceased, the dissolution process must be started.
3. **Deadline:** The deadline to complete all necessary actions to avoid suspension of the ERC and placement in an inactive database is March 2025.

# MYANMAR



## Taxation and Trade

*Export and Import Bulletin No. 5/2024 dated 24 October 2024 issued by the Department of Trade of the Ministry of Commerce on the “**Integrated Operation of the Tradenet 2.0 System and Taxpayer e-Registration Management System**”*

With a view to streamlining the process of applying for the required permits, licenses, and certificates for trading activities, Tradenet 2.0 System (“**TS 2.0**”), an online application system, was launched by the Department of Trade of the Ministry of Commerce in November 2020. It has been progressively upgraded on a phase-by-phase basis since then.

On 23 March 2023, the Internal Revenue Department (the “**IRD**”) introduced the Taxpayer e-Registration Management System (“**TRMS**”), an electronic taxpayer registration system. Subsequently, all entities and individual taxpayers are required to register as taxpayers via the TRMS instead of by submitting a hardcopy application to the IRD’s offices.

The bulletin announces the integration of the TS 2.0 and TRMS to facilitate the application process of exporters and importers. From 1 November 2024, companies, organizations, and co-operative societies must be registered via the TRMS before submission of new applications for exporter and importer certificates via the TS 2.0.

With effect from 1 January 2025, the renewal of exporter and importer certificates can be conducted via the TS 2.0 only after taxpayer registration via the TRMS.

*Export and Import Bulletin No. 6/2024 dated 30 October 2024 issued by the Department of Trade of the Ministry of Commerce on the “**Addition of Seven Types of Goods to the List of Goods Exported through Cross-Border Trade Routes that are Subject to the 25% Mandatory Conversion**”*

This bulletin expands the list of goods subject to the mandatory conversion into MMK of 25% of the export earnings for exports through cross-border trade routes under the regulations of the Central Bank of Myanmar. Prior to the change, only the following goods were subject to the requirement:

- (1) Black gram, green gram, pigeon pea, chickpeas
- (2) Oil seeds (peanut, sesame)
- (3) Maize
- (4) Rubber
- (5) Firshery products (various types of fish, prawn, shrimp, eel)

- (6) Animals and animal products (live cattle, leather, frozen and dried meat)
- (7) Rice and broken rice
- (8) Sugercane

From 1 November 2024, the following seven types of goods will also be subject to the requirement:

- (1) Various types of pulses and beans
- (2) Onions and garlic
- (3) Various types of fruits and crops
- (4) Cane
- (5) Cotton
- (6) Metals and ore
- (7) Other metallic minerals

Note that as before, all types of goods exported through seaborne trade routes are subject to the requirement.

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