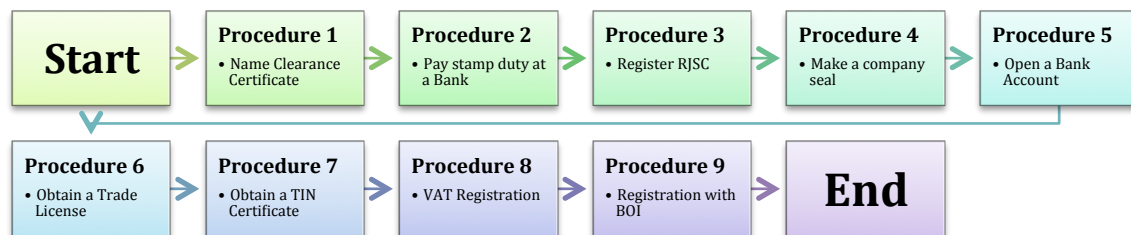


## Business Startup Process in Bangladesh

Bangladesh has made remarkable progress in raising incomes, reducing poverty and improving social indicators and has been classified to the lower middle-income country by World Bank under the dynamic leadership of the Prime Minister Sheikh Hasina. The poverty has been reducing about 2 percent per year and poverty will come down to 9 percent by 2021. The country has been classified as a "Next Eleven" emerging market and one of the "Frontier Five" emerging economies in the world by Goldman Sachs and JP Morgan respectively. Bangladesh has a great potential market for trade and investment among South Asian nations. The trend of FDI inflows suggests that investment in Bangladesh is on the rise in recent years. The World Investment Report 2015 also testifies that the country attracted FDI US\$1.53 billion in 2014 (UNCTAD 2015).

### How to start a Business in Bangladesh?

An entrepreneur has to follow nine specific procedures and legal steps to set up a business in Bangladesh. At the very first, the entrepreneur has to apply to Registrar of Joint Stock Companies and Firms (RJSC) for Name Clearance Certificate. After receiving the certificate, the next step is to pay stamp duty at a Designated Bank and again apply to RJSC for registration. Then the company makes seal and open a bank account and then apply for trade license to respective City Corporation or Municipal Corporations. After completing all those procedures, the entrepreneur has to approach to the National Board of Revenue (NBR) for receiving TIN Certificate and registering with the Customs, Excise, and VAT Commission. Finally, the investor requires to apply to the Board of Investment (BOI) for registration. The process at very high level looks like the following chart:



Following is the detailed summary of those procedures, along with the estimated time and cost.

#### Procedure 1: Name Clearance Certificate for Company

The first step is to apply to Registrar of Joint Stock Companies and Firms (RJSC) for receiving name clearance certificate. This is a pre-requisite for registration of a new company (other than Foreign Company and Partnership firms) or a society or a trade organization. An applicant needs to apply via RJSC website. The RJSC office will check the database and issue name clearance if it does not closely match or

resembles with any of the already taken names. It will be valid for next 180 days. An applicant will have to apply for registration within this timeline.

<b>Legal Basis of the Certificate</b>	The Companies Act- 1994
<b>Responsible Agency</b>	Registrar of Joint Stock Companies and Firms (RJSC)
<b>Process Step</b>	Step 1: Applicant fills in the online application Step 2: Opening an E-account an RJSC website Step 3: Preliminary name search on RJSC website Step 3: Makes a payment of fees to BRAC Bank Step 4: Submits the money receipt Step 5 : Obtain the name clearance certificate
<b>Required Documents</b>	1. A print out of the name clearance certificate 2. Original copy of Money Receipt
<b>Process Map</b>	<pre> graph TD     subgraph Applicant         Start([Start]) --&gt; Fills[Fills in the online application]         Fills --&gt; Prelim[Preliminary name search]         Prelim --&gt; Online[Online submission for desired name]         Online --&gt; Fee[Fee payment]         Fee --&gt; Gets[Gets the Certificate]         Gets --&gt; End([End])     end      subgraph RJSC_Office_Website         Processing[Application processing in the RJSC website]         Fixed[Fixed the company name]         Ref[Issues submission reference]         Certificate[Issues the Name Clearance Certificate]     end      subgraph Bank         Fee_Pay[Receives the scheduled fee]     end      Fills --&gt; Processing     Prelim --&gt; Processing     Online --&gt; Processing     Processing --&gt; Fixed     Fixed --&gt; Ref     Ref --&gt; Certificate     Fee --&gt; Fee_Pay     Fee_Pay --&gt; Gets     </pre>
<b>Time</b>	Less than one day (online procedure)
<b>Fee</b>	BDT 600.00 for each of the proposed names BDT 100.00 for each time extension application
<b>Contact</b>	<b>Head Office of RJSC:</b> TCB Bhaban, 1 Kawran Bazar, Dhaka-1215, Bangladesh TEL: 8189401, 8189403, FAX: 8189402 Email: rjsc@roc.gov.bd Website: www.roc.gov.bd

## Procedure 2: Pay Stamp Duty at a Designated Bank

Payment of stamp duty is made to the account of the Treasury at the BRAC Bank. According to the Stamp Act 1899 as amended on June 30th, 2012, for an authorized share capital of up to BDT 1,000,000, the total stamp duty fees are BDT 4,000. These include BDT 3,000 for affixing stamps on the Articles of Association, and BDT

1,000 for stamps on the Memorandum of Association. In addition, a certified copy of each document costs BDT 50.

<b>Responsible Agency</b>	Designated Bank
<b>Process Step</b>	<b>Step 1:</b> Payment of stamp duty is made to the account of the Treasury at the BRAC Bank
<b>Process Map</b>	<pre> graph LR     subgraph Applicant         Start([Start]) --&gt; FeePayment[Fee payment]     end     subgraph Bank         Receives[Receives the scheduled fee] --&gt; End([End])     end     FeePayment --&gt; Receives     </pre>
<b>Required Document</b>	No document is required
<b>Time</b>	1 day
<b>Fee</b>	BDT 3,000 for the Articles of Association + BDT 50 for a certified copy; and BDT 1,000 for the Memorandum of Association + BDT 50 for a certified copy
<b>Contact</b>	Designated Bank's Branch Office

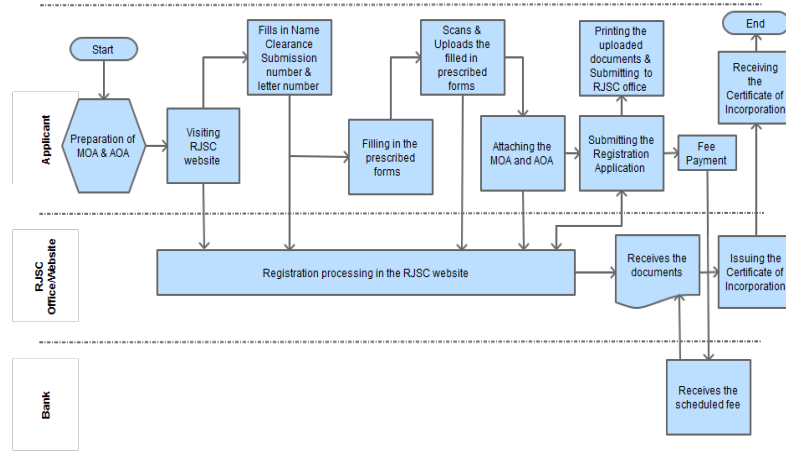
### Procedure 3: Register at Registrar of Joint Stock Companies and Firms (RJSC)

The promoters of a new entity (having name clearance, where applicable) apply for registration with necessary documents, prescribed forms & schedules and fees, as appropriate to the entity type. The promoters prepares Memorandum/Articles of Association as appropriate to the entity type, submit the registration application through website and Pay the registration fee at the designated Bank. RJSC issues a Certificate of Incorporation upon satisfaction that the promoters obtained name clearance of the proposed entity prior to the registration application, submitted the registration application the Memorandum & Articles of Association & prescribed forms and provided applicable fees.

<b>Legal Basis of the Registration</b>	The Companies Act- 1994
<b>Responsible Agency</b>	Registrar of Joint Stock Companies and Firms (RJSC)
<b>Process Step</b>	Step 1: Preparing Memorandum of Association (MOA) and

Articles of Association (AOA) as appropriate to the entity type  
 Step 2: Visiting RJSC website to apply for company registration  
 Step 3: Filling in Name Clearance Submission number and letter number  
 Step 4: Filling in the prescribed forms  
 Step 5: Attaching the MOA and AOA  
 Step 6: Submitting the Registration Application  
 Step 7: Depositing the required fee & receiving the payment slip form designated bank  
 Step 8: Uploading document in online  
 Step 9: Printing the uploaded documents and Submitting those documents & payment slip to RJSC office  
 Step 10: Receiving a Certificate of Incorporation from the RJSC Office

**Process Map**



**Required Document**

1. Name clearance certificate
2. Memorandum and Articles of association
3. Filled in Form I: Declaration on Registration of Company
4. Filled in Form VI: Notice of Situation of Registered Office and of Any Change therein
5. Filled in Form IX: Consent of Director to act
6. Filled in Form X: List of Persons Consenting to be Directors
7. Filled in Form XII: Particulars of the Directors, Manager and Managing Agents and of any change therein  
Evidence of Name Clearance
8. Proof of payment (i.e. receipt from the designated bank) for Treasury Stamps
9. TIN Certificate of all Directors

<b>Time</b>	Less than one day (online procedure)
<b>Fee</b>	<p style="text-align: center;"><b>Private Company (Companies Act, 1994)</b></p> <p><b>Stamps</b>  For affixing on the Memorandum of Association: BDT 500.00  For affixing on the Articles of Association:  For Authorized Capital (BDT)                      Stamp (BDT)  Up to 10,00,000.00                                      2,000.0  &gt; 10,00,000.00 up to 3,00,00,000.00              4,000.0  &gt; 3,00,00,000.00                                      10,000.0</p> <p><b>Registration fee</b>  For filing 6 documents (5 filled in forms plus 1 memorandum &amp; articles of association, @ BDT 200.00 per document): BDT 1,200.00  For the authorized share capital:  For Authorized Capital (BDT)                                      Fee (BDT)  (Up to 20,000.00 )    360.00  Additional for every 10,000.00 or part after first 20,000.00 up to 50,000.00              180.00  Additional for every 10,000.00 or part after first 50,000.00 up to 10,00,000.00              45.00  Additional for every 10,000.00 or part after first 10,00,000.00 up to 50,00,000.00              24.00  Additional for every 1,00,000.00 or part after first 50,00,000.00                                      45.00</p>
<b>Contact</b>	Head Office of RJSC: TCB Bhaban, 1 Kawran Bazar, Dhaka-1215, Bangladesh TEL: 8189401, 8189403, FAX: 8189402 Email: rjsc@roc.gov.bd , Website: www.roc.gov.bd

#### **Procedure 4: Make a Company Seal**

Business founders can make a company seal at the Seal maker for BDT 100-200

<b>Process Step</b>	An entrepreneur will go to any seal making shop and order a company seal
<b>Required Document</b>	No documentation is required
<b>Time</b>	2-4 hours
<b>Fee</b>	BDT 100-200
<b>Contact</b>	Any seal making shop

#### **Procedure 5: Open a Bank Account**

A company must first open a bank account In order to register for VAT. An entrepreneur will go to the concerned Bank and open a Bank account.

<b>Responsible Agency</b>	Bank
<b>Process Step</b>	In order to register for VAT, the company must first open a bank account. Detailed procedures should be discussed with the Bank.
<b>Time</b>	1 day (simultaneous with previous procedure)
<b>Fee</b>	Usually no charge
<b>Contact</b>	Entrepreneur can communicate with any any public or private bank in Bangladesh

### Procedure 6: Obtain a Trade License

Getting a trade license is one of the important steps of starting your business in Bangladesh. An entrepreneur needs to receive the trade license from City Corporation or City Council of the respective business area. The trade license filled-in application form must be accompanied by the required documents.

<b>Legal Basis of the License</b>	<ol style="list-style-type: none"> <li>1. Dhaka City Corporation Ordinance - 1983</li> <li>2. Municipal Taxation Rules – 1986</li> </ol>
<b>Responsible Agency</b>	City Corporation/ Municipal Corporation/ Union Parishad
<b>Process Step</b>	<p>Step 1: Collect prescribed Application Form from the City Corporation/ Municipal Corporation/ Union Parishad’s Office</p> <p>Step 2: Submit completed Application Form with supporting documents to the concerned section</p> <p>Step 3: Inspection by the Licensing Supervisor</p> <p>Step 4: Deposit required fees at the concerned office</p> <p>Step 5: Obtain Trade License form the City Corporation/ Municipal Corporation/ Union Parishad office</p>
<b>Process Map</b>	<pre> graph TD     subgraph Applicant         Start([Start]) --&gt; A1[Collecting prescribed application form from the concerned office]         A1 --&gt; A2[Fills in the application form &amp; gathers required documents]         A2 --&gt; A3[Submits application form along with the required documents]         A3 --&gt; A4[Communicate with the concerned office to know update on license issuance process]         A4 --&gt; A5[Deposits the fees &amp; collects money receipt]         A5 --&gt; A6[Obtains Trade License]     end      subgraph City_Corporation_Municipal_Corporation_Union_Parishad_Office         C1[Provides applicant with necessary information &amp; the application form]         C2[Checks the documents at the time of application submission]         C3[Conducts Inspection]         C4[Prepares Inspection Report]         C5[Keeps applicant informed about the status of application]         C6[Receives the required fees from the applicant]         C7[Issues the Trade License]     end      A1 --&gt; C1     A2 --&gt; C2     A3 --&gt; C3     C3 --&gt; C4     C4 --&gt; C5     C5 --&gt; A4     A4 --&gt; C6     C6 --&gt; A5     A5 --&gt; C7     C7 --&gt; A6     A6 --&gt; End([End])   </pre>

<b>Required Document</b>	<ol style="list-style-type: none"> <li>1. Application Form</li> <li>2. National ID Card of the Entrepreneur</li> <li>3. Holding Tax Payment receipt</li> <li>4. Recent Passport Size Picture of the Entrepreneur</li> <li>5. Declaration of non –Judicial stamp to abide by the rules &amp; regulation of City Corporation &amp; Municipal Corporation</li> <li>6. A certified copy of the memorandum and articles of association</li> <li>7. A copy of the certificate of incorporation</li> <li>8. Agreement of Parthnership</li> <li>9. Tax Identification Number certificate</li> <li>10. A copy of the lease agreement of the registered office</li> <li>11. Work Permit from Board of Investment</li> <li>12. Statement of Bank Solvency</li> </ol>	
<b>Time</b>	7 days	
<b>Fee</b>	<p><b>Application Fee:</b> BDT 10.00  <b>License Fee:</b> Ranges from BDT 1000-20000 which depends on the nature /type of the business (Informatin can be collected form City Corporation/ Municipal Corporation/ Union Parishad)  For Limited company, License fee is determined on the basis of paid up capital.</p>	
<b>Contact</b>	City Corporation, Municipal Corporation& Union Parishad Office <b>For Dhaka City</b>	
	<b>Dhaka South City Corporation (DSCC)</b> Nagar Bhaban, Fulbaria, Dhaka-1000 Phone:- +8802 9563504, +8802 9563506 Email: <a href="mailto:administrator@dhakacity.org">administrator@dhakacity.org</a> Website: <a href="http://www.dhakasouthcity.gov.bd/">http://www.dhakasouthcity.gov.bd/</a>	<b>Dhaka North City Corporation (DNCC)</b> Nagar Bhaban, House # 81, Gulshan, Dhaka 1212 Phone: +88-02-9896111 Fax: +88-02-9894391 Email: <a href="mailto:cro@dncc.gov.bd">cro@dncc.gov.bd</a> Website: <a href="http://www.dncc.gov.bd">http://www.dncc.gov.bd</a>

### Procedure 7: Obtain a Tax Identification Number (TIN) Certificate for Company

In order to start business operations, every company must receive TIN Certificate from NBR. An entrepreneur can apply in online filling out prescribed online form and obtain TIN Certificate instantly. Alternatively, the entrepreneur can register for taxes at the appropriate taxation authority (Deputy Commission of Taxes of Company Circle, Zonal Taxation Department) under the National Board of Revenue (NBR) and obtain a tax identification number.

<b>Legal Basis of the License</b>	<p>3. Dhaka City Corporation Ordinance - 1983</p> <p>4. Municipal Taxation Rules – 1986</p>
<b>Responsible Agency</b>	City Corporation/ Municipal Corporation/ Union Parishad
<b>Process Step</b>	<p>Step 1: Collect prescribed Application Form from the City Corporation/ Municipal Corporation/ Union Parishad's Office</p> <p>Step 2: Submit completed Application Form with supporting documents to the concerned section</p> <p>Step 3: Inspection by the Licensing Supervisor</p> <p>Step 4: Deposit required fees at the concerned office</p> <p>Step 5: Obtain Trade License form the City Corporation/ Municipal Corporation/ Union Parishad office</p>
<b>Process Map</b>	<pre> graph TD     subgraph Applicant         Start([Start]) --&gt; A1[Collecting prescribed application form from the concerned office]         A1 --&gt; A2[Fills in the application form &amp; gathers required documents]         A2 --&gt; A3[Submits application form along with the required documents]         A3 --&gt; A4[Communicate with the concerned office to know update on license issuance process]         A4 --&gt; A5[Deposits the fees &amp; collects money receipt]         A5 --&gt; A6[Obtains Trade License]         A6 --&gt; End([End])     end      subgraph Office [City Corporation/ Municipal Corporation/ Union Parishad Office]         O1[Provides applicant with necessary information &amp; the application form]         O2[Checks the documents at the time of application submission]         O3[Conducts Inspection]         O4[Prepares Inspection Report]         O5[Keeps applicant informed about the status of application]         O6[Receives the required fees from the applicant]         O7[Issues the Trade License]     end      O1 --&gt; A1     A3 --&gt; O2     O2 --&gt; O3     O3 --&gt; O4     O4 --&gt; A4     A5 --&gt; O6     O6 --&gt; O7     O7 --&gt; A6   </pre>
<b>Required Document</b>	<p>13. Application Form</p> <p>14. National ID Card of the Entrepreneur</p> <p>15. Holding Tax Payment receipt</p> <p>16. Recent Passport Size Picture of the Entrepreneur</p> <p>17. Declaration of non –Judicial stamp to abide by the rules &amp; regulation of City Corporation &amp; Municipal Corporation</p> <p>18. A certified copy of the memorandum and articles of association</p> <p>19. A copy of the certificate of incorporation</p> <p>20. Agreement of Partnership</p> <p>21. Tax Identification Number certificate</p> <p>22. A copy of the lease agreement of the registered office</p> <p>23. Work Permit from Board of Investment</p> <p>24. Statement of Bank Solvency</p>
<b>Time</b>	7 days



<b>Fee</b>	<b>Application Fee:</b> BDT 10.00 <b>License Fee:</b> Ranges from BDT 1000-20000 which depends on the nature /type of the business (Information can be collected from City Corporation/ Municipal Corporation/ Union Parishad) For Limited company, License fee is determined on the basis of paid up capital.	
<b>Contact</b>	City Corporation, Municipal Corporation & Union Parishad Office <b>For Dhaka City</b>	
	<b>Dhaka South City Corporation (DSCC)</b> Nagar Bhaban, Fulbaria, Dhaka-1000 Phone:- +8802 9563504, +8802 9563506 Email: <a href="mailto:administrator@dhakacity.org">administrator@dhakacity.org</a> Website: <a href="http://www.dhakasouthcity.gov.bd/">http://www.dhakasouthcity.gov.bd/</a>	<b>Dhaka North City Corporation (DNCC)</b> Nagar Bhaban, House # 81, Gulshan, Dhaka 1212 Phone: +88-02-9896111 Fax: +88-02-9894391 Email: <a href="mailto:cro@dncc.gov.bd">cro@dncc.gov.bd</a> Website: <a href="http://www.dncc.gov.bd">http://www.dncc.gov.bd</a>

#### Procedure 8: VAT Registration

For VAT purposes, companies register with the Customs, Excise, and VAT Commission under the National Board of Revenue. The company's VAT is regulated by the Customs, VAT and Excise Department of the region in which it operates. When an enterprise submits a VAT Registration application to the VAT authority an application must accompany or enclosed the Trade License, Bank Solvency Certificate, TIN Certificate, Copy of BOI Registration & Deed of Agreement.

<b>Responsible Agency</b>	National Board of Revenue (NBR)
<b>Legal Basis of the Registration</b>	The Value Added Tax Act, 1991
<b>Process Step</b>	Step 1: Collecting prescribed application form from the NBR Zonal Office or NBR website  Step 2: Submitting filled in application form with supporting documents to the Zonal Office  Step 3: Verifying the documents by NBR officials  Step 4: Physical inspection of the business premises  Step 5: Obtaining a VAT Registration Certificate

<p><b>Process Map</b></p>	
<p><b>Required Document</b></p>	<ol style="list-style-type: none"> <li>1. Fill-up an application form</li> <li>2. Enterprise Trade License.</li> <li>3. Bank Solvency Certificate.</li> <li>4. Owners 02 photograph</li> <li>5. National ID/Passport copy of owners.</li> <li>6. IRC/ERC if enterprise dong import and Export Business</li> <li>7. Article &amp; Memorandum of Association (if enterprise is Limited Company.)</li> <li>8. TIN Certificate</li> <li>9. Location map of Enterprise premises</li> <li>10. Copy of BOI Registration</li> <li>11. Deed of Agreement</li> </ol>
<p><b>Time</b></p>	<p>1-2 Working day</p>
<p><b>Fee</b></p>	<p>No Charge</p>
<p><b>Contact</b></p>	<p>National Board of Revenue (NBR)  Segun Bagicha, Dhaka-1000  Phone: +88-02-9358223  Website: <a href="http://www.nbr-bd.org/">http://www.nbr-bd.org/</a></p>

**Procedure 9: Registration with the Board of Investment (BOI)**

A foreign investor is required to be registered with BOI. It is essential to obtain many licenses and permits such as Import Registration Certificate, Export Registration Certificate, Bond License, etc to run business in Bangladesh. The BOI registration is also mandatory for obtaining industrial plot in the special economic zone. The investor needs to collect the application form from BOI and submit the filled up form along with supporting documents to the respective department of BOI.

<b>Legal Basis of the Registration</b>	The Investment Board Act-1989
<b>Responsible Agency</b>	Board of Investment (BOI)
<b>Process Step</b>	<p>Step 1: Collect a local investment registration form from Registration &amp; Investment Division of BOI</p> <p>Step 2: Deposit the Registration fee, as per fee schedule from any scheduled bank in favor of Executive Chairman and Member Secretary of BOI and collect a pay order/bank order</p> <p>Step 3: Submit the completed application form with supporting documents to the concerned section</p> <p>Step 4: BOI reviews the application and documents</p> <p>Step 5: If the application is approved, the Registration Certificate will be issued</p>
<b>Process Map</b>	<pre> graph TD     subgraph Applicant         Start([Start]) --&gt; Collect[Collecting a local investment registration form from BOI]         Collect --&gt; Fee[Fee payment through Pay Order/Bank Draft]         Fee --&gt; Submit[Submitting filled in application form with supporting documents]     end     subgraph BOI         BOI_1[Provides applicant necessary information along with application form]         BOI_2[Receives the application]         BOI_3[Provides a tracking number to the applicant to check application status in online]         BOI_4[Document Checking]         BOI_5{Decision for Registration}     end     subgraph Bank         Bank[Receives the fee &amp; provides Pay Order/Bank Draft]     end     Collect &lt;--&gt; BOI_1     Fee --&gt; Bank     Submit --&gt; BOI_2     BOI_2 --&gt; BOI_3     BOI_3 --&gt; BOI_4     BOI_4 --&gt; BOI_5     BOI_5 --&gt; Registered[Gets registered]     Registered --&gt; End([End]) </pre>
<b>Required Document</b>	<ol style="list-style-type: none"> <li>1. Application in duly filled in prescribed form</li> <li>2. Trade License</li> <li>3. Certificate of Incorporation along with Memorandum of Association (MOA)</li> <li>4. Partnership Deeds</li> <li>5. Deeds of the proposed land</li> <li>6. Project profile, if the total project cost exceeds BDT 100 million</li> <li>7. Background of the proprietors in official letter head pad</li> <li>8. Pay Order/Bank Order for applicable registration fee in favor of Executive Chairman and Member Secretary of BOI</li> <li>9. TIN Certificate</li> </ol>
<b>Time</b>	15-30 working days

<b>Fee</b>	Registration fee for local Investment		Registration
	Amount (BDT)	Required fee(BDT)	Amount (BDT)
	Up to 1 Crore	5,000/-	Up to 10 Crore
	10-25 Crore	10,000/-	10-25 Crore
	25-50 Crore	25,000/-	25-50 Crore
	50-100 Crore	50,000/-	50-100 Crore
	Over 100 Crore	1,00,000/-	
<b>Contact</b>	<b>Board of Investment</b> Prime Minister's Office JibanBima Tower (19th Floor) 10 Dilkusha C/A, Dhaka-1000, Bangladesh PABX: +880 2 957 7271-2, Fax: +880 2 956 2312 Email : <a href="mailto:service@boi.gov.bd">service@boi.gov.bd</a> , Website : <a href="http://www.boi.gov.bd">www.boi.gov.bd</a>		