

TahmidurRemuraWahid

# Doing Business and Investing in Bangladesh

**A Practical Guide for Foreign Investors**  
February 2025

If you're thinking of doing business in Bangladesh, then our guide is for you. Designed to help foreign investors, it provides an overview of the legal issues involved when setting up a new or running an already existing business.

Focusing on commercial, corporate and employment law, it also covers other areas like:

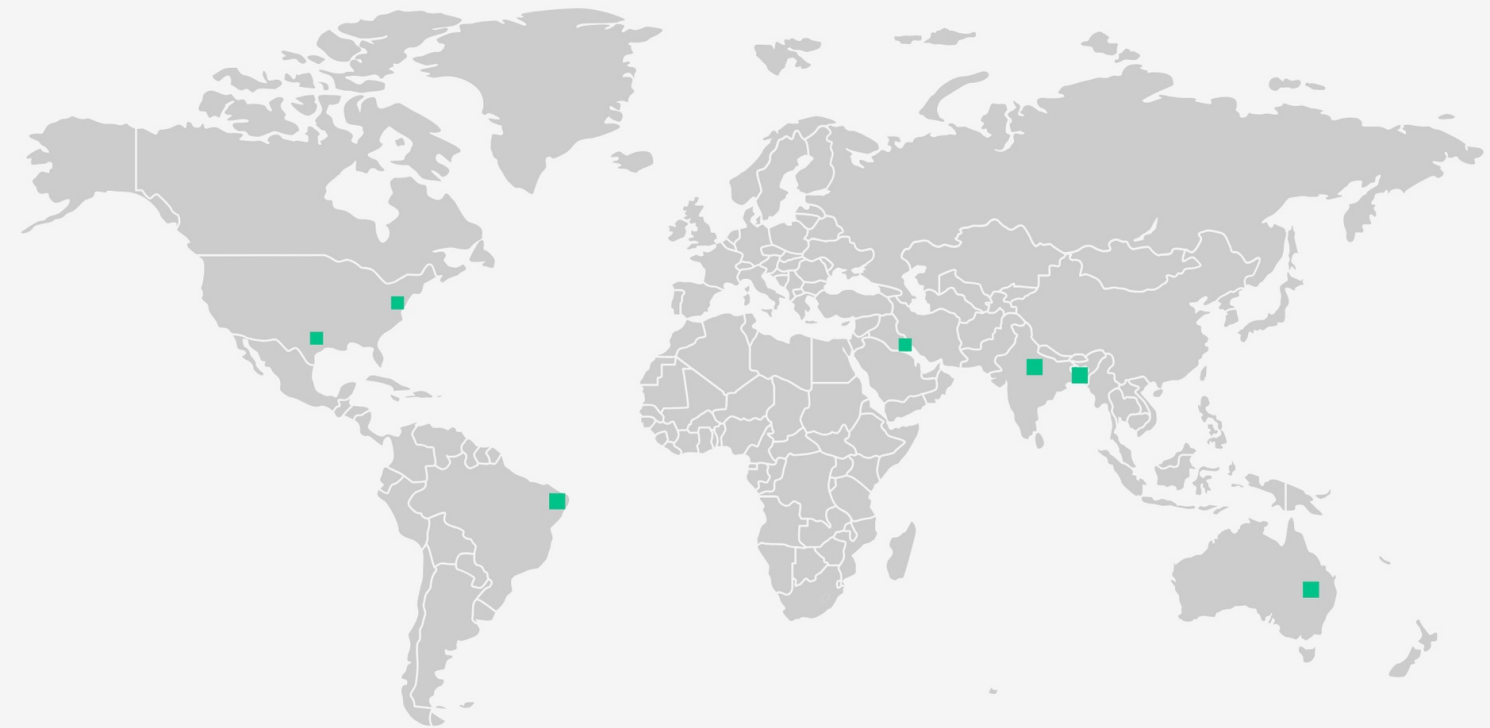
- the Bangladeshi tax system
- the financing of companies
- the protection of patents and trademarks.

Litigation, arbitration and foreign exchange law are briefly summarised where deemed appropriate.

Our guide is designed to give you an understanding of business-related legal concepts and potential issues that can arise from these, with more in depth information for lawyers in the annexes.

Please note this guide cannot replace legal and tax advice when starting or running business activities on-site. It reflects the status of law as at January 2025 and may be subject to further change in future.

The legal issues mentioned are simplified, focusing on key elements, and in individual cases legal exceptions and specific issues may not be covered. This guide is for initial information only and isn't intended to substitute specific legal advice.



**110+**  
Lawyers

**9**  
Offices

**7**  
Countries

## About TahmidurRemuraWahid

Tahmidur Remura Wahid is a leading international law firm based in Bangladesh with a single-minded approach: to help its clients succeed by thinking innovatively about their business issues. It brings together more than 110 lawyers working across 9 offices in Bangladesh, Europe, Asia and the Middle East, offering an integrated service across the full range of practice areas, with core strengths in Technology, Media and Communications, Private Wealth, Energy and Infrastructure as well as Life Sciences and Healthcare.

We also have particular expertise in advising clients in North America, Brazil and China and are an active member of the World Law Group, a non-exclusive global network of highly recommended law firms in more than 89 countries which allows its 59 member firms and their clients access to more than 18,000 lawyers worldwide.

## Sectors

- Aerospace and defence
- Automotive
- Business and professional services
- Chemicals
- Consumer and retail
- Energy and infrastructure
- Financial institutions and insurance
- Hotels and leisure
- Life sciences and healthcare
- Logistics and transport
- Manufacturing and industrials
- Private wealth
- Public services and education
- Real estate and infrastructure
- Technology, media and communications

### TRW made

We blend the best of local business, sector and cultural knowledge with international experience.

## Contact

### Dhaka

House 410 Road 29  
Mohakhali DOHS  
Dhaka 1206

### Delhi

E-16/391, Pocket 16,  
Sector 8, Rohini, Delhi,  
110085

### Dubai

Aspin Commercial Tower  
- Office No. 3402 -  
Sheikh Zayed Rd

### London

330 High Holborn,  
City of London,  
London WC1V 7QH

### USA

1301 Avenue of the  
Americas, New York, NY  
10019

[www.tahmidurrahman.com](http://www.tahmidurrahman.com)

## Legal services

- Banking and finance
- Brands and advertising
- Commercial and consumer contracts
- Competition, EU and trade
- Corporate crime and compliance
- Copyright and media law
- Corporate/M&A and capital markets
- Data protection and cyber
- Disputes and investigations
- Employment, pensions and mobility
- Environmental, planning and regulatory
- Information technology
- Patents and innovation
- Private client
- Private equity
- Projects, energy and infrastructure
- Real estate and construction
- Restructuring and insolvency
- Tax
- Venture capital



# Contents

<b>A. Bangladesh – some facts and figures</b>	<b>10</b>
I. Bangladesh and the economic opportunities	11
	12
<b>B. A short overview of the Bangladeshi market (2025)</b>	<b>14</b>
General overview	15
<b>C. Entering Bangladesh</b>	<b>16</b>
<b>D. Starting business activities in Bangladesh</b>	<b>20</b>
I. Analysis before entering the market	21
II. Balancing openness to, and restrictions upon, foreign investment	22
III. Indirect Distribution	25
1. Summary of main features	25
2. Specific issues	26
IV. Direct distribution	28
1. Setting up e-commerce	28
<b>E. Setting up a branch or a liaison company</b>	<b>29</b>
I. Overview	30
1. Setting up a branch	30
2. Setting up a company	31
II. Private Limited Company	34
1. Organisation	34
2. Sub-form: One Person company	36
3. Setting up or purchasing a (shelf)	36
III. Public Limited Company	37
1. Organisation	37
2. Law concerning the remuneration of directors in stock corporations	38
3. Setting up or purchasing a (shelf) stock corporation	39
IV. Partnership with a limited liability company as general partner	40
1. Organisation	40
2. Setting up or purchasing a (shelf) PLC	41

## Contents

<b>F. Duties after setting up a Bangladeshi company</b>	<b>42</b>
I. BIDA Notification duties	43
II. Opening up a bank account	43
III. Mandatory indications on business letters, e-mails and internet sites	44
IV. Applications with the commercial register at a later stage	44
V. Keeping the shareholders list up to date	44
<b>G. Accounting and publication duties</b>	<b>45</b>
<b>H. Financing a Bangladeshi subsidiary</b>	<b>48</b>
I. Financing by shareholders	49
1. Equity Financing	49
2. Debt Financing	50
II. Financing by third parties	51
1. Equity Financing	51
2. Debt Financing	52
3. Mezzanine Capital	52
4. Cash incentive programmes	52
<b>I. Bangladeshi Tax System (2024/2025)</b>	<b>53</b>
I. Taxation of Companies	54
1. Overview	54
2. Corporate Income Tax for corporations	56
3. Personal income tax for individuals and partnerships	57
4. Trade Tax (for corporations, partnerships and proprietorship enterprises)	58
5. Overall tax burden	58
6. Final withholding tax	59
II. Taxation of Property	59
1. Overview	59
2. Real Property Tax	60
3. Real Estate Transfer Tax	60
III. Value Added Tax (VAT)	60
1. Overview	

## Contents

2. Input VAT deduction	61
3. Trade within the EU Common Market	61
4. Trade with ASEAN	62
IV. Customs	63
1. Overview	63
2. European Customs Union	64
3. SAARC Trade Agreements	64
4. WTO Trade Agreements	65
<b>J. Employment and social security</b>	<b>66</b>
I. Employing staff	66
1. Management	66
2. Employees	66
II. Works Councils	75
1. General	75
2. Codetermination with respect to Industry	75
III. Associations	76
<b>K. Real Estate</b>	<b>77</b>
I. Introduction to Property Rights in Bangladesh	78
1. The Land Register	78
2. Ownership of Real Estate and Similar Rights	79
3. Encumbrances on Real Estate	80
4. Acquisition and Sale of Real Estate in Bangladesh	82
5. Public Building Law and Building Permits	84
6. Environmental Issues	86
7. Leases	87
<b>L. Protecting inventions and trademarks</b>	<b>90</b>
I. Protection of inventions	91
1. What can (not) be patented in Bangladesh?	92
2. How long does patent protection last?	92
3. Application of patents	

## Contents

II. Protection of trademarks	94
1. What can be protected?	94
2. How long does trademark protection last?	94
3. Registration of trademarks	94
<b>M. Public Procurement Law</b>	<b>98</b>
<b>N. State Aid</b>	<b>100</b>
<b>O. Privacy</b>	<b>102</b>
<b>P. Some key issues relating to international commercial agreements</b>	<b>108</b>
I. Applicable law	109
II. Venue	109
III. General Terms and Conditions	109
IV. Securing payment	109
V. Supply conditions and risk allocation	109
<b>Q. Litigation, venue, arbitration and enforcement</b>	<b>110</b>
I. Ordinary Courts	111
1. Courts hearing civil disputes	111
2. Special courts	111
3. Costs	112
II. Venue	115
III. Execution of court decisions under the Brussels Ia Regulation	116
IV. Regulation relating to the execution of claims	116
V. Arbitration	116
1. Arbitration vs. proceedings before the ordinary courts	118
2. Arbitration clauses	118
3. Arbitration proceedings	119
4. Costs	122
5. Enforcement of arbitration awards	<b>124</b>
<b>R. Insolvency proceedings in Bangladesh</b>	<b>125</b>
I. Overview	126
II. Reasons to open insolvency proceedings	

## Contents

III. Application for the opening of insolvency proceedings	127
IV. Preliminary insolvency proceedings and protective shield	127
V. Main insolvency proceedings	128
VI. Insolvency Plan	128
VII. Prevention: security for claims in agreements	128
<b>S. Restructuring</b>	<b>130</b>
The business Crisis	131
Part I: Newly introduced options	131
1. Reform of the PLC	131
2. Introduction of the Restructuring Framework	132
Part II: The five issues in investing into insolvent targets	134
1. Bonds	134
2. Earn-Outs	134
3. Extensive Guarantees	134
4. Extensive liability for the insolvency administrator	135
5. Wrong allocation of purchase price	135
<b>T. Foreign Exchange Law</b>	<b>136</b>
I. Acquisition of shares in Bangladeshi companies by foreign investors	137
II. Notification duties vis-à-vis the Bangladeshi Central Bank	137
III. Export control by the Office of Economics and Export Control	138
IV. Import control by the Office of Economics and Export Control	140
<b>Annexes Overview</b>	<b>141</b>
<b>Annexes</b>	<b>142 – 191</b>
<b>Key Contacts</b>	<b>192 – 195</b>

# A.

## Bangladesh – Facts & Figures



## 1. Bangladesh

- Population  
169,800,000 (2022)
- GDP
  - \$451 billion (nominal; 2024)
  - \$1.69 trillion (PPP; 2024)
- GDP rank
  - 35th (nominal; 2024)
  - 24th (PPP; 2024)
- GDP growth
  - 5.82% (2023)
  - 5.42% (2024)
  - 5.2% (2025)
- GDP per capita
  - \$2,624 (nominal, 2024)
  - \$9,898 (PPP, 2024)
- GDP per capita rank
  - 139th (nominal, 2024)
  - 126th (PPP, 2024)
- GDP by sector
  - Agriculture: 12.91%
  - Industry: 33.90%
  - Services: 53.40%



You can find out more about Bangladesh (in English!) here:

"World Economic Outlook Database, April 2024". International Monetary Fund. Retrieved 16 April 2024.

1. **WO Steady but Slow: Resilience amid Divergence**. International Monetary Fund(Report). p. 142. Retrieved 16 April 2024.

2. "Agriculture, forestry, fishing, value added (% of GDP)".