

**No. S.R.O. 241-L/83.**—In exercise of the powers conferred by sub-section (1) of section 60 of the Income-tax Act, 1922 (XI of 1922), the Government is pleased to direct that the following classes of income shall be exempt from the tax payable under the said Act and they shall not be taken into account in determining the total income of an assessee for the purposes of the said Act, namely:—

- (1) any income derived from property held under trust or other legal obligation wholly for religious or charitable purposes, and in the case of property so held in part only for such purposes, the income applied, or finally set apart for application, thereto:

Provided that where any income is not applied or is not deemed to have been applied to charitable or religious purposes in taxable territories during the previous year but is accumulated, or finally set apart, for application to such purposes in taxable territories, such income shall not

be included in the total income of the previous year of the person in receipt of the income provided the following conditions are complied with, namely:-

- (a) such person specifies, by notice in writing given to the Deputy Commissioner of Taxes, the purposes for which the income is being accumulated or set apart and the period for which the income is to be accumulated or set apart, which shall in no case exceed ten years;
- (b) the money so accumulated or set apart is—
  - (i) invested in any Government security as defined in clause (2) of section 2 of Public Debt Act, 1944, or in any other security which may be approved by the Government in this behalf, or
  - (ii) deposited in any account with the Post Office Savings Bank:

Provided further that where any income which—

- (a) is applied to purposes other than charitable or religious purposes or ceases to be accumulated or set apart for application thereto, or
- (b) ceases to remain invested in any security or deposited in any account referred to in the first proviso, or
- (c) is not utilised for the purpose for which it is so accumulated or set apart during the period referred to in the first proviso or in the year immediately following the expiry thereof, shall be deemed to be the income of such person of the previous year in which it is so applied or ceases to be so accumulated or set apart or ceases to remain so invested or deposited or, as the case may be, of the previous year immediately following the expiry of the period aforesaid:

Provided further that for the purposes of this clause "property held under trust or other legal obligation" includes a business undertaking so held and where a claim is made that the income of any such undertaking shall not be included in the total income of the person in receipt thereof, the Deputy Commissioner of Taxes shall have the power to determine the income of such undertaking accordance with the provisions of the said Act relating to assessment; and where any income so determined is in excess of the income as shown in the accounts of the undertaking such excess shall be deemed to be applied to purposes other than a charitable or religious purposes;

- (2) any income of religious or charitable institution derived from voluntary contributions and applicable solely to religious or charitable purposes:

Provided that nothing contained in clause (1) or clause (2) shall operate to exempt from the provisions of the said Act that part of the total income of a private religious trust which does not enure for the benefit of the public.

**Explanation.**—The expression "charitable purpose", as used in clauses (1) and (2) includes relief of the poor, education, medical relief and the advancement of any other object of general public utility;

- (3) the income of local authorities except income from a trade or business carried on by the authority so far as that income is not income arising from the supply of a commodity or service within its own jurisdictional area;
- (4) interest on securities which are held by, or are the property of, any Provident Fund to which the Provident Funds Act, 1925, applies and any capital gains of the Fund arising from the sale, exchange or transfer of such securities;
- (5) any special allowance, benefit or perquisite specifically granted to meet expenses, wholly and necessarily incurred in the performance of the duties of an office or employment of profit;
- (6) any income received by trustees on behalf of a recognised provident fund as defined in clause (a) of section 58A of the said Act;
- (7) any income received—
  - (a) by any ambassador, high commissioner, envoy, minister, charge d' affairs, commissioner, counsellor, consul de carrier, secretary, adviser or attach of an embassy, high commission, legation or commission of a foreign State, as remuneration from such State for service in such capacity;
  - (b) by a Trade Commissioner or other official representative in taxable territories of a foreign State (not holding office as such in an honorary capacity) as his official salary, if the official salary of the corresponding officials, if any of the Government resident for similar purposes in the country concerned enjoy a similar exemption in that country;
  - (c) by a member of the staff of any of the officials referred to in sub-clauses(a) and (b), as his officials salary, when such member is not a citizen of Bangladesh and is either a subject of the country represented or a subject of some other foreign State and is not engaged in any business, profession, vocation or employment in Bangladesh other-wise than as a member of such staff, and the country represented has made corresponding provisions for similar exemption in the case of members of the staff of the corresponding officials of the Government of Bangladesh in that country;
- (8) any income chargeable under ht head "Income from property"—
  - (a) in respect of a building the erection of which is begun and completed at any time between the first day of July 1975 and the thirtieth day of June, 1980 (both days inclusive) and the building is intended to be, and is actually, used for residential purposes only, for a period of five years from the date of such completion subject to the following limits, namely:—

- (i) in a case where annual value of such building does not exceed eight thousand and four hundred taka. ... the whole of such value
- (ii) in a case where annual value of such building exceeds eight thousand and four hundred taka. ... eight thousand and four hundred taka:

Provided that where an assessee claims exemption in respect of more than one such building the exemption under this sub-clause shall be restricted to such portion of the aggregate annual value of such building as does not exceed eight thousand and four hundred taka;

(b) in respect of a building the erection of which is completed at any time between the first day of July, 1980 and the thirtieth day of June, 1985 (both days inclusive) and the building is intended to be, and is actually, used for residential purposes only, for a period of five years from the date of such completion, subject to the following limits, namely:—

- (i) in a case where annual value of such building does not exceed twelve thousand taka. ... the whole of such value;
- (ii) in a case where annual value of such building exceeds twelve thousand taka. ... twelve thousand taka:

Provided that where an assessee claims exemption in respect of more than one such building the exemption under this sub-clause shall be restricted to such portion of the aggregate annual value of such building as does not exceed twelve thousand taka;

(c) in respect of a building the erection of which is begun and completed at any time between the first day of July, 1975 and the thirtieth day of June, 1980 (both days inclusive) and which is intended to be and is actually, used for residential purposes only, for a period of five years from the date of such completion, subject to the condition that the plinth area of the building is not more than two thousand square feet. The exemption under this subclause shall also apply in the case of housing companies, societies and estates where the construction comprises bungalows, flats, apartments or units (hereinafter referred to as units) each containing plinth area of not more than two thousand square feet provided the construction comprises not less than twenty-five units;

(d) in respect of a building the erection of which is completed at any time between the first day of July, 1980 and the thirtieth day of June, 1985 (both days inclusive) and which is intended to be, and is actually, used for residential purposes only, for a period of five years from the date of such completion, subject to the condition that the plinth area of the building is not more than one thousand square feet. The exemption under this subclause shall also apply in the case of

housing companies, societies and estates where the construction comprises bungalows, flats, apartments or units (hereinafter referred to as units) each containing plinth area of not more than one thousand square feet provided the construction comprises not less than twenty-five units;

- (9) any income chargeable under the head 'salaries' received by or due to any person who is neither a citizen of taxable territories nor was resident in taxable territories in any of the four years immediately preceding the year in which he arrived in taxable territories for a period not exceeding three years from the date of his arrival in taxable territories, as remuneration for services rendered by him during such period, as a technician under a contract of service approved before the commencement of his services or within one year of such commencement by the National Board of Revenue for the purposes of this clause employed whether before or after the commencement of commercial production, the employment before the commencement of commercial production being for the purpose of the supervision of the erection of the factory building, the installation of plant and machinery or the trial product in, by an undertaking falling under any of the classes specified hereunder which has been set up or commenced in taxable territories after the 14th day of August, 1947 and which employs
- (i) ten or more persons in taxable territories and involves the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal agency, or
  - (ii) twenty or more persons in taxable territories and does not involve the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal agency—
- (a) the manufacture of goods or materials or the subjection of goods or materials to any such process;
  - (b) ship-building;
  - (c) electricity and hydraulic power undertaking;
  - (d) the working of any mine, oil well or other source of mineral deposits;
  - (e) any undertaking the profits and gains of which are liable to be computed in accordance with the rules contained in the Second Schedule to the said Act; and
  - (f) any other undertaking to which the National Board of Revenue may declare this clause to be applicable:—
- Provided that this clause shall not apply—
- (i) in the case of an undertaking the profits and gains of which are liable to be computed in accordance with the rules contained in the Second Schedule to the said Act, after the commencement of commercial production or the expiration of a period of five years from the date of issue of the exploration licence, whichever is earlier; and

- (ii) in the case of other undertakings, after the expiration of a period of five years from the date of the setting up or commencement of the undertaking;
- (iii) in respect of any remuneration or any part thereof, as is subject to tax outside taxable territories, or in respect of which the technician does not get credit for the tax which would, but for the exemption under this clause, have been payable in taxable territories, or the tax payable outside taxable territories, whichever is the less.

**Explanation:** The expression "technician", as used in this clause, means a person who possesses specialised knowledge in industrial arts and sciences and has experience in industrial practice and whose employment in taxable territories irrespective of his designation, is in a capacity in which such specialised knowledge and experience are brought into play;

- (10) any tax payable by an employer in respect of the remuneration payable by him for a period not exceeding five years from the expiration of three years from date of his arrival in taxable territories to any technician to whom clause (9) applies and who continues to be employed by him in taxable territories as a technician after the expiration of the said period of three years;
- (11) the provisions of clauses (9) and (10) shall, so far as may be apply to a technician employed by a Bangladeshi firm carrying on the business of consultants and engineers in Bangladesh, whether by itself or in association with any foreign firm carrying on such business in Bangladesh.

**Explanation:** In this clause, "Bangladeshi firm" means a firm recognised as such by the National Board of Revenue;

- (12) any pension due to, or received by, an assessee in respect of any previous year in which he was in taxable territories for a period in all amounting to one hundred and eighty-two days or more;
- (13) any income chargeable under the head "salaries" received by or due to any person who is neither a citizen of Bangladesh nor was resident in taxable territories in any of the four years immediately preceding the year in which he arrived in taxable territories for a period of two years from the date of his arrival in taxable territories as remuneration for services rendered by him during such period as a professor or teacher at a recognised university, college, school or other educational institution in taxable territories;
- (14) any interest, not exceeding three thousand taka, received by an assessee, being an individual, from a scheduled bank a cooperative bank or a co-operative society on any deposit;
- (15) any income from dividends received by an assessee (other than a company), subject to the following limits, namely:—
  - (a) where such dividend income does not ... the whole of such income; exceed five thousand taka.

- (b) where such dividend income exceeds five ... five thousand thousand taka. ... thousand taka.
- (16) any income, not exceeding five thousand taka, chargeable under the head "interest on securities" received by an assessee, being an individual, from interest on any securities of the Government;
- (17) any income not exceeding five thousand taka, received by an assessee, not being a company, from interest on debentures approved by the Controller of Capital Issues for the purposes of this clause:

Provided that the amount of exemption under this clause together with the amount of any exemption under clauses (15) and (16) shall not exceed five thousand taka.

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By order of the  
Chief Martial Law Administrator  
**MD. MATIUR RAHMAN**  
*Joint Secretary*

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH  
**MINISTRY OF FINANCE**  
Internal Resources Division  
*(Income Tax)*

**NOTIFICATION**  
Dhaka, the 9th August, 1984

**No. S.R.O. 382-L/84.**—In exercise of the powers conferred by sub-section (4) of section 44 of the Income Tax Ordinance, 1984, the National Board of Revenue is pleased to rescind its Notification No. S.R.O. 241-L/83 dated the 1st July, 1983.



By order of the President  
**MD. MATIUR RAHMAN**  
*Joint Secretary*