

Setting Up a Foreign Office, Hiring Foreign
Workers & Repatriating Payments in Bangladesh

Practical Guide to BIDA's 2021 & 2023 Guidelines



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BIDA's *"Guideline for Granting Permission for Establishment of Foreign Commercial Offices in Bangladesh, Providing Recommendations of Visas and Issuing Work Permits to Foreign Workers, 2023"* sets out the approval requirements and procedures applicable for foreign companies and foreign nationals working in Bangladesh.

And BIDA's *"Guidelines for Outward Remittance Repatriation for Payment of Royalty, Technical Knowledge/Technical Know-how Fee(s), Technical Assistance Fee(s), and Franchise Fee(s) 2020"*, issued in March 2021 describes the prerequisite conditions for these specific payments.

This manual, which is an amalgamation of the two guidelines, provides an English summary of the steps investors must follow; it also lays out the new steps that have been introduced through improved systems in 2025-26, specifically for security clearances for foreign workers and applications for outward remittance payments

In the event of any discrepancy or dispute, the original Guidelines shall prevail.

Applications must be submitted through the online One Stop Service (OSS) portal of the Bangladesh Investment Development Authority (BIDA) to obtain the following services:

1. **Approval and Management of Foreign Offices in Bangladesh:** Permission for establishment, extension of the term of permission, closure, and amendment of information and conditions of the permission letter for branch offices, liaison offices, representative offices, and project offices in Bangladesh.
2. **Visa Recommendation and Amendment Services:** Visa recommendations (including E, E-1, PI, etc.) and amendment of information in visa recommendation letters.
3. **Work Permit Issuance and Updates:** Issuance, extension, cancellation, and amendment of information for work permits.
4. **Security Clearance Service:** Security clearance from the Security Services Division of the Ministry of Home Affairs.
5. **Approval for Outward Remittance Payments:** Endorsement and approval of agreements for outward remittance of royalty, franchise fees, technical knowledge/know-how, and technical assistance fees.
 - The information and documents specified in this [link](#) must be uploaded (as applicable) to the OSS portal when submitting applications listed above.

- If the submitted information and documents are incomplete, incorrect or improper, the applicant will be notified immediately through the OSS portal, e-mail, and/or SMS, with a prescribed deadline for submission of the required information and documents.
- Applications will not be approved if the required information and documents are not submitted within the stipulated timeframe. Such decisions will be communicated through the OSS portal, e-mail, and/or SMS.

1. Permission for Establishment, Amendment, Extension, and Closure of Foreign Offices

Flowchart Illustrating the Office Permission Process



1.1 Types of Foreign Business Presence in Bangladesh and Permitted Activities

1.1.1 Foreign Company / Organization

A company or organization incorporated and/or registered under foreign laws, and includes firms, individuals, and associations authorized by the appropriate authorities.

1.1.2 Branch Office

A company incorporated outside Bangladesh that is approved by BIDA's Inter-Ministerial Committee to conduct limited commercial and business activities in Bangladesh. It may operate within the scope approved by BIDA but shall not engage directly in the production of goods or services in Bangladesh.



Permitted Activities

An authorized Branch Office in Bangladesh may carry out the following activities:

- Act as a buying and selling representative of the parent company in Bangladesh. Besides perform commercial activities on behalf of foreign commercial banks in Bangladesh.
- Provide technical or financial support to a Bangladeshi company on behalf of the parent company or any foreign company.
- Provide professional or consultancy services, or act as a contractor or sub-contractor, within the scope of work of the parent company.
- Provide sales and after-sales services for the proper marketing and distribution of

products and/or services of the parent company.

- Represent foreign airlines and shipping companies.
- Engage in import and export activities, subject to obtaining the required approvals.



Key Conditions and Restrictions

- A Branch office shall not engage in the direct production of goods or services.
- A Branch office concerned with the production of goods or services shall set up an industry in Bangladesh within 10 (ten) years of obtaining the permission of the office. Renewal of branch office permission shall not be considered after 10 (ten) years.
- A Branch Office shall not engage in any activities other than those listed above without prior approval of BIDA's Inter-Ministerial Committee.

1.1.3 Liaison / Representative Office

An office established by a foreign-registered company or organization to establish contact with companies and organizations in Bangladesh for the purpose of exchanging information on the foreign company's products or services, local business or investment opportunities, and the commercial environment of Bangladesh.



Permitted Activities

An authorized Liaison or Representative Office in Bangladesh may carry out the following activities:

- Coordinate and liaise on business matters between the foreign head office and local agents, suppliers, exporters, or importers through correspondence and personal or electronic communication.
- Collect, compile, analyze, and disseminate information within the scope of work approved by BIDA or the Inter-Ministerial Committee.
- Perform other functions with the approval of BIDA or Inter-Ministerial Committee, provided that the functions of any liaison or representative office of a foreign bank shall be limited to those prescribed by Bangladesh Bank.



Key Conditions and Restrictions

- A Liaison or Representative Office shall not be directly involved in the sale or purchase of goods or services in Bangladesh for profit.
- Such offices should not engage in any value-addition activities.
- All establishment costs, operating expenses, salaries, allowances, and other expenditure shall be met through inward remittances from the foreign parent office through the banking channel.

- A Liaison or Representative Office shall not repatriate any funds other than the residual amount of foreign exchange brought into Bangladesh.
- Activities shall be limited to those approved, and no additional activities may be undertaken without prior approval of BIDA or Inter-Ministerial Committee.

1.1.4 Project Office

An office established by one or more foreign organizations and joint ventures/ consortiums/ associations (JVCA), contractors/ sub-contractors selected for the implementation of public and privately funded projects in the infrastructure and other development sectors of Bangladesh.



Permitted Activities

- Project Offices must be registered with BIDA and shall not be registered without a recommendation from the ministry, division, organization, or department implementing the project.
- Where a Joint Venture, Consortium, or Association (JVCA) is formed under Rule 54 of Chapter 10 of the Public Procurement Rules, 2008 for the implementation of a development project in the public or private sector, the JVCA office shall act as a Project Office for facilitating the management of human

resources and financial functions of the project.

- The activities of such JVCA shall be limited strictly to project-related activities, and liabilities arising from the project shall be borne individually and collectively by the contracting parties formed under the JVCA agreement.
- A JVCA formed for the implementation of a project may only receive income related to that project. Such income may be shared or transferred among participating organizations in proportion to their investment or participation, as specified in the project documents.
- A JVCA implementing a project shall not directly repatriate funds. However, the parties to the JVCA agreement may repatriate surplus funds individually, through their joint account, or through their authorized Branch Office, as applicable, in accordance with existing foreign exchange regulations, subject to payment of all applicable liabilities and taxes.
- A Project Office may apply to the Inter-Ministerial Committee for a decision on matters not expressly mentioned in the Guideline but considered essential for project implementation, based on the recommendation of the Project Manager or Director of the organization procuring goods, works, or services.



Key Conditions and Restrictions

- A Project Office registered with BIDA shall not establish any other office or conduct activities at any other location without prior approval of BIDA or the Inter-Ministerial Committee.
- The provisions of Rule 54 of Chapter 10 of the Public Procurement Rules, 2008 shall apply to Joint Ventures, Consortiums, or Associations. All foreign contractors, sub-contractors, and organizations under a JVCA agreement shall separately obtain approval from the Inter-Ministerial Committee for establishment of a Branch Office or Project Office, as applicable, to receive specific services for their organization.
- Permission to establish a Project Office shall cease upon completion of the work for which the Joint Venture, Consortium, or Association was formed, or if the JVCA becomes inoperative for any other reason. In such cases, a formal process for cancellation of Project Office approval must be followed.

1.1.5 Commercial Office

This includes a branch office, liaison office, representative office, project office, foreign contractor or sub-contractor engaged in a development project in Bangladesh, a joint venture, consortium, or association (JVCA) formed under Rule 54 of the Public

Procurement Rules, 2008 or any applicable law, and any organization incorporated in Bangladesh solely for the purchase and sale of goods and services.



1.2 Approval Requirements for Establishment of Foreign Offices

Permission must be obtained from BIDA/Inter-Ministerial Committee for the establishment of Branch, Liaison/Representative, and Project Offices in Bangladesh. The Inter-Ministerial Committee shall review the application and the documents submitted and, subject to its satisfaction, grant permission to establish the relevant office.

1.2.1 Eligibility Criteria (Pre-Approval Requirements)



1.2.1.1 General Eligibility

- No proprietorship company may establish a branch office, liaison office, representative office, or project office in Bangladesh.
- For the establishment of a Project Office, the applicant must submit an appropriate certificate or recommendation letter from the contracting agency with the application.



1.2.1.2 Financial Eligibility for Establishment of a Branch Office

- To establish a Branch Office, the foreign company or organization must meet the following conditions in the country where it is incorporated:
 - The company/entity must provide documentary evidence of **continuous profit-making for the preceding three financial years** and have **minimum net assets of USD 100,000** (one hundred thousand) or equivalent; **or**
 - The company/organization must have accumulated profits, even if it is currently incurring losses, and must have **minimum net assets of USD 1,000,000** (one million) or equivalent at the time of application; **or**
 - Where the applicant foreign company/organization is not financially solvent, an associated company (sister concern, subsidiary, or holding company, as applicable) may submit a letter of undertaking on financial solvency of **at least USD 10,000,000** (ten million) or equivalent on behalf of the applicant.
- For the purpose of this clause, financial solvency shall mean consolidated net worth determined in accordance with International Accounting Standards. Where required, a letter of undertaking on

financial assistance shall be provided as specified [here](#).

- For foreign banks and financial institutions seeking to establish a Branch Office in Bangladesh, the principal bank or institution must:
 - maintain sufficient capital in accordance with applicable Basel standards, and
 - obtain a license from Bangladesh Bank to conduct banking activities, and
 - comply with all conditions specified in the license.
- Applications shall not be considered if the applicant foreign company or organization fails to meet the applicable eligibility conditions outlined above.

1.2.2 Conditions for Permission (Post-Approval, Time-Bound Requirements)

The following conditions shall apply after permission is granted:

- Offices must notify Bangladesh Bank of the permission through their Authorized Dealer (AD) Bank, in accordance with Section 18(b) of the Foreign Exchange Regulation Act, 1947, within 30 (thirty) days of approval.
- Offices must remit a **minimum of USD 50,000** (fifty thousand) or equivalent in foreign currency from foreign sources through the banking channel within 2 (two)

months of obtaining permission, to cover working capital, initial establishment, and operating expenses. In case of delay, additional foreign currency equivalent to **5% of USD 50,000 per month** must be brought in.

- Offices must submit all required particulars, including the Memorandum of Association, Articles of Association, and Certificate of Incorporation of the parent company, to the Office of the Registrar of Joint Stock Companies and Firms in accordance with the Companies Act, 1994; and notify BIDA within 7 (seven) days of such filing.

1.2.3 Compliance Obligations

- Scope of Activities and Modifications:
 - Branch Offices, Liaison Offices, Representative Offices, and Project Offices shall limit their activities strictly to the business or commercial areas specified in the permission letter.
 - Prior approval of BIDA / Inter-Ministerial Committee must be obtained for:
 - any correction or alteration of information or conditions stated in the permission letter; and

- undertaking any activity not expressly mentioned in the permission letter.

- Employment of Foreign Nationals:

- Prior permission must be obtained from BIDA / the Inter-Ministerial Committee to appoint foreign workers.
- All statutory deductions, including income tax and tax at source, must be ensured.
- All salary, allowances, and monetary or non-monetary benefits payable to foreign workers shall be transacted through bank accounts in Bangladesh or abroad, as applicable, in accordance with foreign exchange regulations.

- Banking, Reporting, and Financial Compliance:

- Offices shall open accounts with a scheduled bank in Bangladesh and conduct all financial transactions, including inward and outward remittances, through such accounts in compliance with foreign exchange laws and regulations.
- Quarterly statements of foreign currency income and expenditure brought in through inward remittance must be submitted to Bangladesh Bank, the National Board of

- Revenue, and BIDA in the prescribed format.
- Offices shall pay all applicable government duties, taxes, and revenues in a timely manner in accordance with existing laws.
 - Applicable income tax and VAT (MUSAK) shall be deducted at source where required and deposited with the relevant authorities.
 - Where applicable, Proof of Submission of Return (PSR) and TIN/BIN must be obtained from the National Board of Revenue.
- Accounting, Audit, and Multiple Offices:
 - Separate permission must be obtained for establishment of each new office permission from BIDA / Inter-Ministerial Committee.
 - All documents, bank accounts, audit reports, and tax records must be maintained separately for each office.
 - Financial statements shall be prepared on an accrual basis in accordance with International Financial Reporting Standards (IFRS) and audited by a Chartered Accountant firm of Bangladesh in accordance with the CA Order, 1973.
 - Other Regulatory Obligations:
 - Where applicable, offices must obtain clearance or licenses from other relevant ministries, divisions, departments, or authorities under existing laws.
 - Liaison and Representative Offices may deposit proceeds from the sale of old unused assets, advance refunds, or unexpected income into their bank accounts only with prior permission of the BIDA / Inter-Ministerial Committee.
 - All financial and non-financial liabilities arising in Bangladesh through the approved offices or through the foreign principal, holding, or subsidiary companies shall be borne separately or collectively by the respective offices.
 - Approved offices shall comply with all applicable laws, rules, regulations, and orders in force in Bangladesh, including the Income Tax Ordinance, 2023 or the prevailing Income Tax Act.

1.2.4 Regulatory Powers of BIDA

- BIDA / Inter-Ministerial Committee may, in its own motion, cancel, suspend, modify, impose new conditions, or take legal action without showing any cause. Where necessary, it may allow the organization an opportunity to be heard.
- BIDA may, at its discretion, allow the concerned organization an opportunity to be heard.



1.3 Extension of Office Permission

- Permission for the establishment of branches, liaison, representatives, and project offices is initially granted for a period of **three (3) years**.
- Subject to the satisfactory performance of the office during the approved period, the validity of the permission may be extended for a maximum period of **two (2) years at a time**, based on an application submitted for this purpose.
- Branch Offices engaged in the production of goods or services shall establish an industry in Bangladesh **within ten (10) years** from the date of initial permission. Renewal of Branch Office permission shall not be considered beyond this ten-year period.



1.4 Remittance of Profits, Loan Repayments, and Residual Amounts

Subject to applicable foreign exchange regulations and, where required, prior permission of Bangladesh Bank, Branch Offices and Project Offices may repatriate income earned from approved activities. The following matters must be observed for:

- remittance of **profits of Branch Offices** of foreign companies established in Bangladesh.
- repayment of **loans taken from the head office** by Branch, Liaison, Representative, and Project Offices.
- remittance of **residual amounts** after closure of such offices.

1.4.1 Public Notice and Settlement of Liabilities

- Prior to remittance, an advertisement must be published in at least two (2) widely circulated newspapers, one of which must be an English daily, regardless of whether any outstanding liabilities are reflected in the latest audit report of the office.
- The advertisement must include relevant information on all liabilities and invite creditors to submit their claims within two (2) months from the date of publication, at the registered office.

- If creditors do not submit claims within the **stipulated two-month period** or fail to receive their outstanding dues, the unpaid amounts shall be deposited separately with a designated scheduled bank.
- The name, address, and account details of the concerned bank branch must be stated in the published advertisement.

1.4.2 Payment to Creditors After Closure

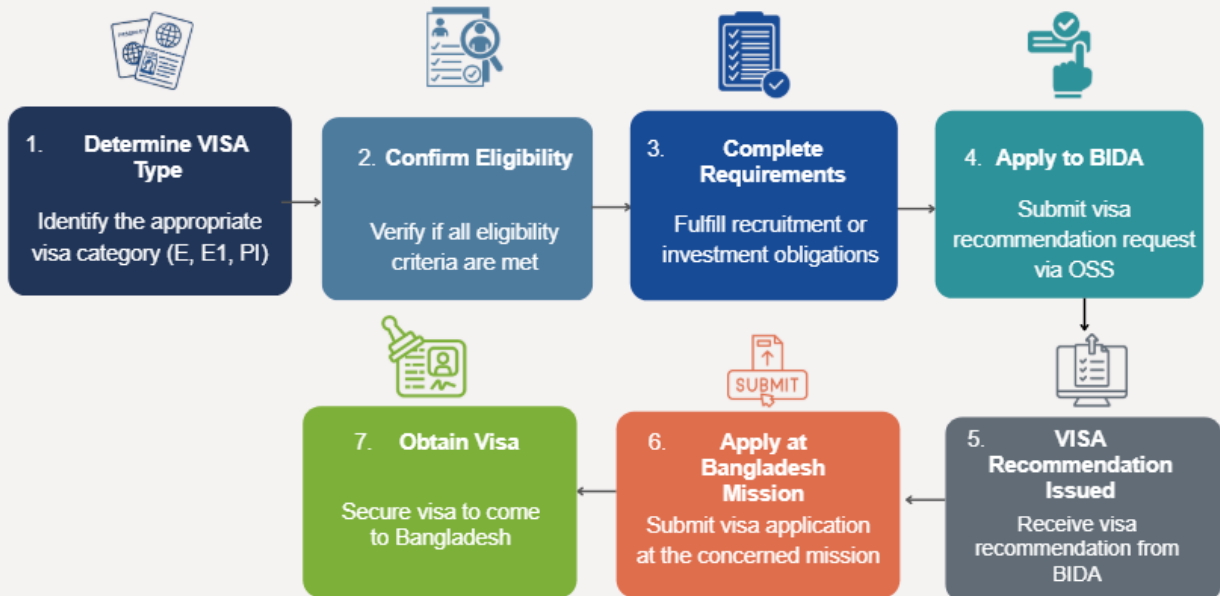
- If a creditor approaches the designated bank branch after closure of the Branch, Liaison, Representative, or Project Office, the bank shall release the amount to the creditor subject to the consent of the authorized person of the parent company or institution of the closed office.
- If any creditor's claim remains unpaid for **three (3) years** from the date of closure of the office, such claim shall become time-barred and the unpaid amount shall be credited to the government exchequer in accordance with the Limitation Act, 1908 (Act No. IX of 1908).

1.4.3 Remittance of Profits, Loans, and Residual Amounts

- Existing foreign exchange regulations shall apply to:
 - remittance of profits of Branch Offices of foreign companies, after settlement of all creditor liabilities from the realizable value of total assets.
 - repayment of loans taken by Branch, Liaison, Representative, or Project Offices from their head offices.
 - remittance of residual amounts upon closure of the offices.
- For remittance of profits, an adequate balance must be available in the retained earnings account, as reflected in the audited financial statements of the Branch Office.
- Prior permission of Bangladesh Bank must be obtained for remitting any amount not generally authorized under the Foreign Exchange Regulation Act, 1947, the Guidelines for Foreign Exchange Transactions, 2018 issued thereunder, or relevant circulars and circular letters issued from time to time

2. Visa Recommendation for Foreign Workers

Flowchart Illustrating the Visa Process for Foreign Workers



A **foreign worker** means any foreign national selected or employed in Bangladesh in a commercial establishment or organization, including (but not limited to) the following:



A foreign investor may also be eligible for a visa recommendation under the **Private Investor** visa category, subject to the prevailing visa policy.



2.1 Applicable Visa Categories

Under the prevailing visa policy, BIDA may recommend different classes of visas for foreign nationals coming to Bangladesh for employment or investment purposes. Commonly applicable visa categories include:

- **E (Employment) Visa:**
Issued as per existing visa policy for eligible foreign nationals employed in Bangladesh.
- **E-1 Visa:**
Issued in specific cases in accordance with the prevailing visa policy for foreign nationals employed in eligible organizations, subject to applicable conditions.
- **PI (Private Investor) Visa:**
Issued as per existing visa policy for eligible foreign investors who meet the prescribed investment requirements in Bangladesh.

In addition, visa recommendation services may also be processed for Visa on Arrival / On-arrival visa applications, as applicable and subject to the prevailing visa policy.

Other visa categories (e.g., A3, J, P) remain subject to the prevailing visa policy and applicable government instructions.



2.2 Conditions for Visa Recommendations

2.2.1 General Conditions

Visa recommendations may be issued in favor of foreign workers who will be employed in eligible private or public organizations in Bangladesh, including private industry, commercial offices, branch offices, liaison or representative offices, project offices, educational and cultural institutions, banks, medical institutions, development projects, and joint venture or consortium arrangements that are not governed by separate statutory authorities.

BIDA may issue visa recommendations in accordance with the prevailing visa policy and other relevant laws and regulations.

- For **E visa recommendations**, completion of the recruitment process in line with the prescribed recruitment procedure, including publication of a recruitment advertisement and submission of an evaluation report based on the recruitment advertisement, is required. A list of required documents can be accessed [here](#).
- For **E-1 visa recommendations**, eligibility depends on contract/service-related documentation (e.g., an executed contract and supporting trade/shipment documents), as applicable. A list of required documents can be accessed [here](#).

2.2.2 Investment-Linked Conditions for PI Visa

- **Commercial Organizations**
 - BIDA may recommend a PI visa if the organization has made a **minimum foreign equity investment of USD 100,000 in Bangladesh**, of which at least USD 40,000 must have been contributed directly by the foreign investor seeking the PI visa from their own funds.
- **Private Industrial Enterprises**
 - The BIDA may recommend a PI visa if:
 - The enterprise has invested a minimum of **USD 100,000** (foreign equity) in Bangladesh at the initial stage; **and**
 - The foreign investor seeking the PI visa has invested at least **USD 40,000** individually.
 - For extension of the work permit of the foreign investor, the industrial enterprise must have a **minimum total investment of USD 200,000** in Bangladesh.

2.2.3 Capital Evidence Requirement

- For employment of foreign workers in commercial or private industrial establishments incorporated in

Bangladesh with joint or foreign investment, **encashment certificate or documentary evidence of USD 50,000** as capital must be submitted.

2.2.4 Application and Amendment

- After completion of the recruitment process, an application must be submitted to BIDA for recommendation of the appropriate class of visa for the foreign worker to be employed.
- An application must be submitted for amendment of the information or conditions stated in a visa recommendation letter, in line with the applicable process.

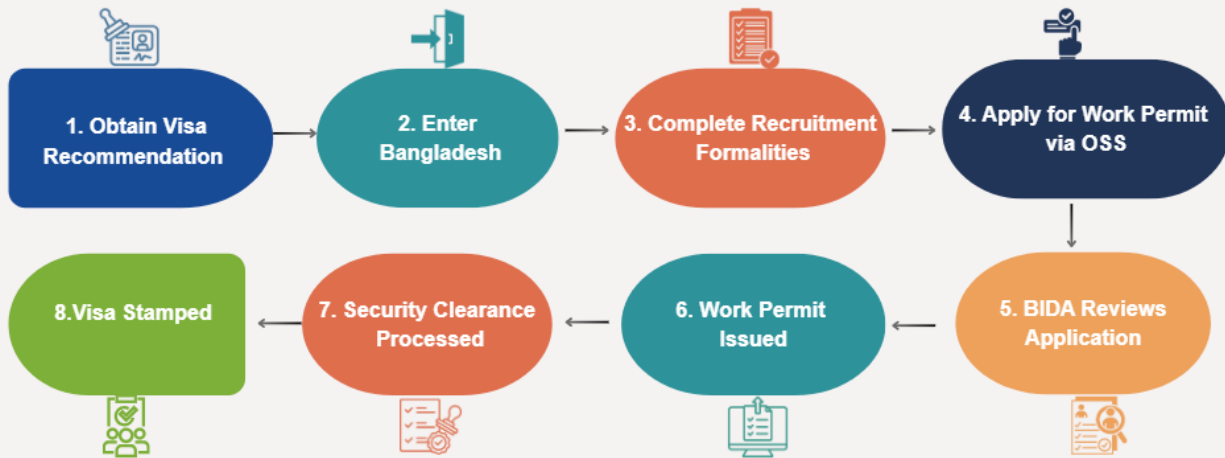


Important Note

Visa approval or recommendation by BIDA is a prerequisite for obtaining the relevant visa but does not replace immigration clearance or work permit requirements, which must be obtained separately in accordance with applicable laws and procedures.

3. Work Permits for Foreign Workers

Flowchart Presenting the Work Permit Process for Foreign Workers



A **work permit** is mandatory for any foreign national employed in Bangladesh, as well as for any foreign investor who stays and works in Bangladesh.

Work permits must be obtained from BIDA / Inter-Ministerial Committee for foreign workers and investors working in all eligible public and private organizations in Bangladesh, including commercial offices, branch offices, liaison or representative offices, project offices, educational and cultural institutions, banks, medical institutions, joint ventures, consortiums or associations, contractor or sub-contractor offices, and development projects.



3.1 Conditions of Work Permit Approval

3.1.1 Pre-Conditions

- The appropriate visa (E, E-1, PI, or other applicable category) must be obtained from the relevant Bangladesh Mission based on BIDA's visa recommendation before applying for a work permit.
- Work permits cannot be granted to nationals of countries that do not maintain

diplomatic or commercial relations with Bangladesh.

- No foreign worker may be employed in a proprietorship organization.
- National security considerations apply in granting work permits.

3.1.2 Preference for Local Workforce

- Bangladeshi nationals must be given priority in recruitment.
- Foreign nationals may only be appointed where the position requires specialized degrees, skills, training, or experience not readily available in Bangladesh.
- Foreign workers shall not be appointed to posts that do not require specialized knowledge or skills.

Specialized foreign workers include, but are not limited to:

- specialists, consultants, senior executives, technicians, managers, and senior officers
- engineers, designers, and technical experts
- quality control, production supervision, and inspection experts
- other experts approved by BIDA.

3.1.3 Restrictions on Positions

- In commercial establishments, foreign workers cannot be appointed to junior engineering, junior technical, or similar entry-level positions.
- Where foreign workers are recruited for project offices, staffing arrangements must be clearly stated in the project document. Where necessary, written opinion of the Project Manager may be required.

3.1.4 Ratio of Local to Foreign Workers

The following ratios apply, excluding investors:

- Industrial establishments

- **10:1** (local to foreign) during project implementation
- **20:1** during regular production
- Non-industrial and educational institutions
 - **5:1** before commencement of commercial activity
 - **10:1** during commercial operations

BIDA may relax these ratios only for:

- highly technical positions requiring specialized experience; and
- senior managerial positions.

Relaxation shall not apply to:

- unskilled, semi-skilled, or non-technical posts; or
- non-managerial or general positions.

While determining this ratio, the work tier of the organization will be considered instead of the total number of employees of the organization. However, the manpower engaged through outsourcing cannot be considered as the organization's own manpower in calculating the ratio of foreign and local worker. Note that investors will not fall under this ratio.

3.1.5 Salary, Allowances, and Remuneration

- Total salary, allowances, and all financial and non-financial benefits must be clearly stated in the work permit application.
- No salary or benefits beyond those approved in the work permit may be paid in Bangladesh or abroad.

- Salaries must be revised annually in line with inflation, consistent with comparable local positions.
- Minimum indicative salary benchmarks (as set out in Annexure-13 of the Guideline) shall be used as a reference, but international standards must be followed.
- BIDA may adjust proposed remuneration after considering qualifications, skills, and experience.
- For tax purposes, the minimum salary structure shall be used as the basis of income calculation.

3.1.6 Payment and Remittance of Salary

- Salary, allowances, and financial benefits shall generally be paid within Bangladesh.
- Payment outside Bangladesh requires prior approval of BIDA, except where permitted under a government project contract.
- In other cases, BIDA / Inter-Ministerial Committee shall decide to consider the merits of the proposals, following the Foreign Exchange Regulation Act, 1947 (and its amendments) and existing Income Tax Acts/Ordinances.

3.1.7 Knowledge Transfer Requirement

- The appointing organization must submit an action plan for transfer of technical and specialized knowledge to local workers within **five (5) years**.
- Failure to implement the action plan may result in non-renewal of work permits.

- BIDA may physically verify implementation.



3.2 Application and Processing

3.2.1 Recruitment Process

- Recruitment must follow the organization's approved recruitment rules.
- A recruitment advertisement must be published in at least two widely circulated national newspapers and relevant job portals, allowing at least 15 days for applications, unless exempted (e.g., transfer of top-level executives).
- A recruitment report, including applicant lists and interview details, must accompany the work permit application.

3.2.2 Submission of Work Permit Application

- Employers must apply online through OSS **within 15 days** of the foreign worker's arrival in Bangladesh.
- Applications must be accompanied by the appropriate visa, passport, and supporting documents. The required list of documents can be accessed through this [link](#).
- Sector-specific NOCs (e.g. Ministry of Health, BMDC, BNC, Ministry of Culture) must be submitted where applicable.

3.2.3 Change of Employment and Cancellation

- A foreign worker may not change employment before expiry of the existing work permit without:

- cancellation of the existing permit.
 - settlement of all dues and taxes.
 - departure from Bangladesh followed by re-entry with a new visa.
- Unauthorized change of employment may result in cancellation of the work permit and legal action.
- Subject to compliance with the conditions of the existing work permit and issuance of security clearance by the Security Services Division, a work permit may be extended for a **maximum period of two (2) years at a time**.
- In considering an application for extension, BIDA / Inter-Ministerial Committee will take into account, among other factors, the contribution of the foreign workers to skill development and capacity building of local personnel.

3.2.4 Compliance and Enforcement

- Income tax clearance certificate / acknowledgment receipt of submission of income tax return must be submitted to BIDA for foreign workers, as applicable.
- Employers must ensure tax compliance before a foreign worker exits employment or leaves Bangladesh.
- Work permits may be suspended, modified, or cancelled for violation of conditions.
- Appropriate legal action may be taken, where applicable.
- No discrimination shall be made between local and foreign workers of the same rank and status.



3.3 Extension of Work Permit

3.3.1 General Rule

- Work permits are normally granted for an **initial period of one (1) year**. Where continued employment of a foreign worker is required, the employer organization must apply to BIDA / Inter-Ministerial Committee with proper justification.

3.3.2 Duration Beyond Five Years

Employment of foreign workers **for a period exceeding five (5) years** is generally discouraged. However, extensions beyond five years may be considered on a case-by-case basis, depending on the merits of the proposal, including the foreign worker's skills, performance, contribution to national development, and the nature of the enterprise or industry.

In such cases, the employer organization must submit, among others:

- justified reasons with supporting documentation for the extension.
- a succession plan for replacement of the foreign worker by a local worker.
- a training and up-skilling plan demonstrating how the foreign worker will transfer knowledge and skills to a local successor.

- a duly approved training manual and evaluation procedures for local workers.
- supporting documents confirming that proper recruitment procedures were followed.
- any additional information or evidence required by BIDA / Inter-Ministerial Committee.

3.3.3 Timeline for Application

- Applications for extension of work permits must be submitted **at least two (2) months** prior to the expiry of the existing work permit.
- Applications submitted after this period will not be considered.

3.3.4 Linkage with Office Permission and Tax Compliance

- If the permission of a foreign company's Branch Office, Liaison Office, Representative Office, or Project Office expires, the work permits of foreign workers employed by such offices shall automatically become invalid.
- Where a foreign worker leaves Bangladesh without settling applicable income tax liabilities, the employing organization shall be responsible for payment of the outstanding tax.

3.3.5 Cancellation of Work Permit

- Voluntary or End-of-Term Cancellation:
 - Where a foreign worker does not wish to continue employment with the organization during or at the end

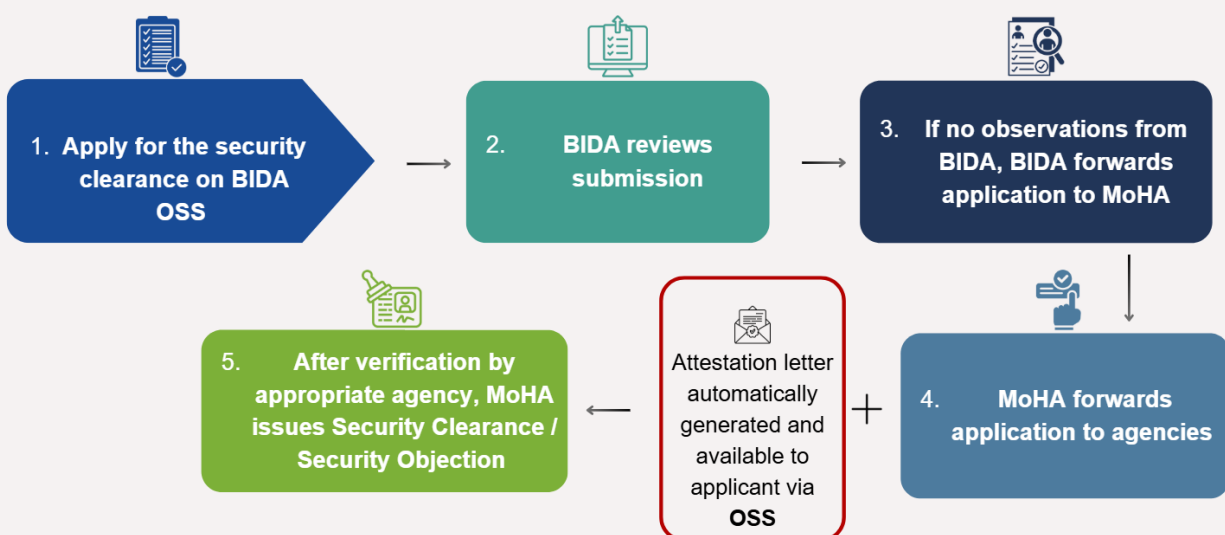
of the term of the work permit, the employing organization must initiate cancellation of the work permit.

- In such cases, the employing organization shall be responsible for ensuring that:
 - all applicable income tax liabilities of the foreign workers are settled
 - the foreign worker departs Bangladesh within the prescribed timeframe.
- Failure to comply with these requirements may result in legal action by BIDA / Inter-Ministerial Committee and the National Board of Revenue against the employing organization.
- Cancellation on Grounds of Misconduct or Legal Violations:
 - If a foreign worker granted a work permit is found, upon verification, to be involved in anti-state activities, law-and-order violations, or other anti-social or immoral activities, BIDA/Inter-Ministerial Committee may take necessary measures, including direct cancellation of the work permit.

4. Security Clearance for Foreign Workers

Security clearance is a mandatory step linked to the issuance and extension of work permits for foreign workers in Bangladesh and is administered by the Security Services Division (SSD) of the Ministry of Home Affairs through the prescribed online process linked to work permit processing.

Overview of the Security Clearance Process for Foreign Workers



4.1 Scope and Applicability

Security clearance is issued in connection with foreign workers' work permits. In addition, the BIDA / Inter-Ministerial Committee may send a copy of the application of the branch office, liaison office, and representative office of the foreign company and the relevant permission letter to the Security Services Division for issuing security clearance.



4.2 Process for Issuance of Security Clearance

- After issuance of the new work permit, and the applicant must apply for the security clearance on BIDA OSS with the required document referenced in this [list](#).
- After reviewing the submitted documents, BIDA will forward the application to the Ministry of Home Affairs if the submission is found complete and in proper order. If the attachments are not in proper order, the application will be returned to the applicant for necessary correction.

- When the Ministry of Home Affairs forwards the application to its agencies, an ‘**attestation letter**’ will be generated automatically which the applicant can download from OSS and use to apply for a visa extension.
- After receiving the report from the appropriate agency/agencies, the Ministry of Home Affairs will issue either a security clearance or a security objection.
 - In case of **security clearance**, the applicant can download the document from OSS.
 - In case of **security objection**, applicant will see the status and will need to contact the respective BIDA officer.
- Security clearance is normally issued within **twenty-one (21) working days**.
- Where no objection is received within the stipulated timeframe, the Department of Immigration and Passports may extend the validity of the foreign worker’s visa to match the duration of the approved work permit.



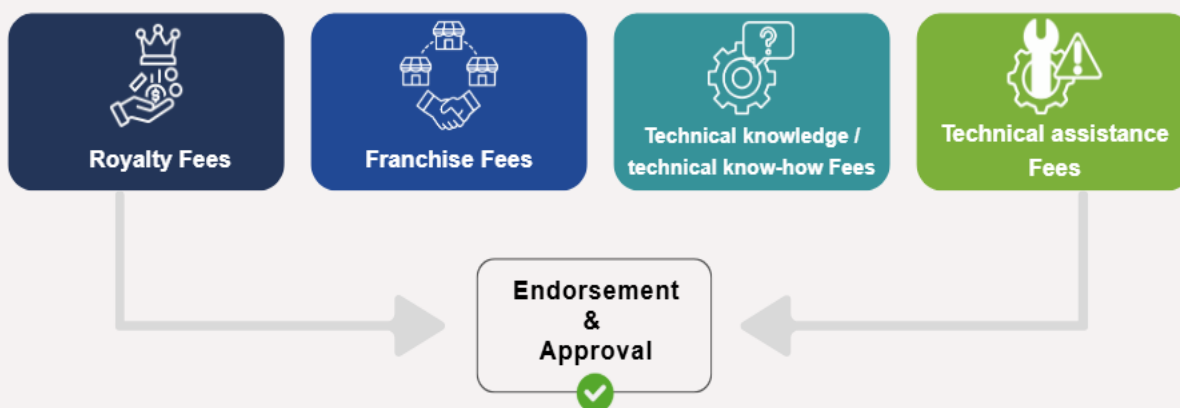
4.3 Objections, Compliance and Review

- The Security Services Division shall raise objections **only on grounds related to state or social security**.
- Any objection raised on grounds unrelated to state or social security shall be reviewed by BIDA / Inter-Ministerial Committee in accordance with the Guideline.
- The decision of BIDA / Inter-Ministerial Committee following such review shall be final and binding on all concerned agencies.
- If the Security Services Division identifies non-compliance with any condition of the work permit, it shall inform BIDA.
 - Where BIDA / Inter-Ministerial Committee determines that appropriate corrective action has been taken and approves continuation or extension of the work permit, the Department of Immigration and Passports shall extend the corresponding visa accordingly.
 - In such cases, the decision of BIDA /Inter-Ministerial Committee shall prevail.

5. Endorsement and Approval of Agreements for Outward Remittances

BIDA's One Stop Service (OSS) allows eligible enterprises to submit agreements related to four categories of outward remittance for endorsement and approval:

Diagram Illustrating Outward Remittance Categories Covered under BIDA's One Stop Service (Oss)



This service is governed by the Guidelines for Outward Remittance Repatriation for Payment of Royalty, Technical Knowledge/Technical Know-How Fees, Technical Assistance Fees, and Franchise Fees 2020.



5.1 Eligibility and Core Principles

Outward remittance of the above fees may be permitted subject to the following conditions:

- Only private industrial enterprises registered with BIDA, as defined under section 15(3) of the Bangladesh Investment Development BIDA Act, 2016, are eligible to apply.
- Proposals are assessed based on the **value addition of the transaction**. Transactions with little or no value addition, transactions not

conducted at arm's length, or transactions of a rudimentary nature are discouraged.

- Fees are generally allowed to be remitted on a **yearly basis**, unless the underlying contract justifies a different payment structure.



5.2 Endorsement of Agreements by BIDA

As a general principle, an eligible industrial enterprise may remit permissible fees through its Authorized Dealer (AD) Bank without prior approval for each remittance, provided that **the underlying agreement** has been

endorsed by BIDA in advance and the remittance remains within the endorsed limits.

Permissible fees are listed below:

5.2.1 Royalty, technical knowledge/technical know-how, technical assistance fee(s)

- a. For projects under implementation, not exceeding **6% of the total accumulated C&F value of imported machineries** of the concurrent year(s) before going into commercial operation.
- b. For projects under commercial operation, not exceeding **6% of the previous years' sales** (excluding Value Added Tax) as declared in the income tax returns.

5.2.2 Franchise fee(s)

Fee(s) more than **US\$ 0.1 million USD** will be allowed to be remitted in installments. 50% of the approved claim will be allowed to be remitted in the 1st year, 30% in the 2nd year, and the rest of the 20% in the 3rd year.

5.2.3. Advance fee(s)

All advance payments, if allowed before generating revenue, must be adjusted within one year of going into commercial operation by the entity.

5.2.4 Fee(s) payable to Contractor(s) in a project

In case of recurring payments required by any obligatory agreement, **maximum 6% sales revenue** (excluding Value Added Tax) as declared in the previous year's income tax

return or VAT return (VAT returns will be considered only for the first year in case of new project) may be allowed. The payment of such fee(s) may be allowed on quarterly, semi-annually and annual basis as stipulated in the agreement.



5.3 Process for Endorsing Agreements:

Applications for endorsement must be submitted to BIDA immediately after signing the agreement and before any remittance takes place.

Applications are now accepted on the BIDA OSS which allows for electronic payment of fees and online receipt of the approval letter. After submitting the online application and associated fees, applicant companies have to submit hard copies of specific documents to BIDA as listed [here](#). For any change in information/terms of agreement, a new online application will have to be made.

Key conditions for BIDA's endorsement include:

- BIDA will endorse the agreement after review and approval, clearly specifying:
 - scope of services,
 - approved fee amounts,
 - payment schedule, timeframes, and conditions.
- This provision applies only for post-service remittances and must be supported by a

service completion certificate from the beneficiary.

- Endorsement is required only once per agreement, and the same agreement may be used for multiple remittances as long as payments remain within the endorsed limits.
- Re-endorsement is required if the agreement is amended, updated, or revised.
- BIDA may require the applicant to revise the agreement to ensure compliance with the Guidelines before endorsement is provided.
- During remittance, the enterprise must ensure strict compliance with the endorsed terms.



5.4 Remittance Beyond Prescribed Limits

- Where the proposed remittance **exceeds the limits listed** in the Permissible Fees section in 5.2, prior approval from BIDA is required, even if the agreement has already been endorsed.
- Proposals exceeding the standard thresholds may be considered where they demonstrate:
 - significant economic impact,
 - strong local linkages and value creation,
 - employment generation,
 - enhancement of skills of the local workforce,

- technology transfer, or
- diversification of manufacturing, services, or agriculture.



5.5 Advance Payment of Fees

Advance remittance of fees may be allowed only with prior approval from BIDA, subject to the following:

- Advance payment of technical knowledge / know-how or technical assistance fees of **up to USD 10,000 per agreement per year** may be permitted.
- Such advance payments must be adjusted against:
 - import value of machinery, or
 - sales revenue after commencement of operations.
- Advance payments beyond the prescribed limit may be allowed if explicitly provided for in a BIDA-endorsed contract.
- Any advance payment allowed under the Guidelines must be adjusted against **6% of the C&F value of imported machinery or 6% of revenue/sales (as applicable) within two (2) years** of starting commercial operations, unless extended by BIDA due to exceptional circumstances.
- Applications for advance payment must be supported by appropriate guarantees (e.g bank guarantee, affidavit).



5.6 Remittance Related to Project Contractors

- Foreign contractors engaged in public or private projects in Bangladesh may remit fees only with prior approval from BIDA for each case.
- Payments may be made quarterly, semi-annually, or annually, as stipulated in the contract.
- If any local company made an agreement with an international service provider to deliver any service produced locally or imported from overseas, the local company can apply for permission to remit fee(s) earned from that service. BIDA will examine issues related to such transactions while granting any permission for such outward remittance.