



Setting up and doing business in Bangladesh

Establishing a presence in Bangladesh

Bangladesh offers foreign investors flexible entry options, strategic location, competitive costs, investment incentives, ongoing reforms and a growing market, making it an attractive investment destination.

The local law and bilateral investment treaties guarantee non-discriminatory treatment for foreign investors. Up to 100% foreign ownership is generally permitted in most sectors, subject to applicable prohibited, controlled and restricted sector regulations.

Setting up a business presence in Bangladesh may be, inter alia, undertaken through a liaison office (LO), branch office (BO), or subsidiary. The process involves two key steps:

- 1. Entity structure evaluation** – Identifying suitable entity type, investment jurisdiction and business model based on the proposed activities.
- 2. Setup and subsequent registrations** – Establishing the chosen entity, and obtaining the applicable tax and regulatory registrations/ approvals.

The incorporation process involves registration with the relevant regulatory authorities, capital remittance procedures and the acquisition of tax and business registrations required to commence operations. Depending on the proposed business activities, additional sector-specific approvals and registrations may also be required.

Setting up process at a glance

Particulars	LO	BO	Subsidiary
Purpose	Liaison, market research, sourcing or distributor support; no income earning activity.	Trading or commercial activities (subject to approval); no manufacturing.	Full-fledged business operations including trading and manufacturing.
Approval	- IBA¹ registration (initially provided for 2-3 years); periodic renewal required. - RJSC² intimation		- Incorporation with RJSC - IBA registration depending on activities
Funding	Remittance from Parent company.	Remittance from Parent company and revenue from approved operations	Equity, preference shares, borrowings and revenue from authorised operations
Capital Requirement	Minimum USD 50,000 inward remittance from the head office required post registration to cover setup and initial operating costs		No specific threshold (USD 50,000 capital required if expatriate employees intended)
Post-incorporation registrations	Tax Registration (e-TIN), trade license, value added tax (VAT) registration, and other sector specific licenses/ approvals		

Key Considerations

- The key documentation include a board resolution approving incorporation in Bangladesh, statutory forms, a letter of authorisation to the local representative, shareholder and parent documents (incorporation certificate and constitutional documents), directors' details, registered office address and constitutional and incorporation documents such as the Draft Memorandum and Articles of Association (as applicable)
- A minimum of two shareholders and directors each required for the incorporation of a private company.
- For companies, the proposed share capital is to be brought in through provisional bank account before incorporation application is filed with the RJSC.

Branch office approval is subject to prescribed eligibility including financial criteria applicable to the parent entity.

Post-incorporation and ongoing compliance

Once the Bangladeshi entity has been incorporated, businesses typically need to undertake aspects like regularising the provisional bank account or bringing in necessary funds (as applicable), obtain other sector-specific and factory-related licenses or approvals, maintain statutory records, manage tax and VAT obligations and undertake periodical RJSC and regulatory compliances.

How PwC can support

PwC can advise on initial business modelling and entry strategy, and support the Bangladesh set-up journey by providing coordination support across incorporation steps, document collation, filings, and assisting with ongoing tax and regulatory and compliance requirements after incorporation. We help you navigate the processes in a compliant, coordinated and effective manner.

The benefits

- A coordinated approach to company incorporation, tax registrations and business licensing.
- Access to multidisciplinary tax, regulatory and business advisory support in Bangladesh.
- A central point of contact to assist with project coordination and stakeholder follow-ups.
- Practical experience in supporting foreign investors with market-entry and compliance matters.

¹ Invest Bangladesh Authority (erstwhile Bangladesh Investment Development Authority)

² Registrar of Joint Stock Companies



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