

E-payment mandatory for depositing VAT of Tk 10 lakh and above

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Online Desk : Businesses will have to deposit value-added tax (VAT) of Tk 10 lakh and above through electronic payment or automated chalan from the first day of January next year, the National Board of Revenue (NBR) said yesterday. Until now, firms had to deposit net vat, an indirect tax paid by consumers, amounting to Tk 50 lakh or higher through e-payment. The number of such VAT registered entities with high turnover is a few hundred.

Following the directive, an increased number of firms will come under e-payment, officials said. The NBR, which collects 87 percent of the tax revenue for the state, said it is working to develop a modern online-based VAT system in the country.

It said businesses will be able to settle VAT deposits faster through e-payment or automated chalan. The e-payment will also be instrumental to prevent forgery, it added. “We are encouraging e-payment,” said NBR Member VAT Policy Zakia Sultana.

Md Helal Uddin, president of the Bangladesh Shop Owners Association, welcomed the decision. “We have no problem with paying through electronic system. What is needed is smooth functioning of the online system, including its server, so that we can comply without hassle,” he added.

Bangladesh has 4.60 VAT registered entities. VAT, also known as consumption tax, is the biggest source of revenue for the NBR. The indirect tax was 39 percent of the total tax revenue of Tk 327,667 crore in fiscal year 2022-23.