

VAT Act 1991 – Rules & Compliance at MJL Bangladesh Limited



Mobil

Hassan Ashraf Chowdhury
November, 2012

Vat Act 1991- Rules & Compliance

At MJL Bangladesh Limited

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Submitted To:
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Letter of Transmittal

5th November 2012

To
Sharmin Shabnam Rahman
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Subject: Submission of Internship Report

Dear Madam,

It gives me immense pleasure to submit my internship report on “Vat Act 1991- Rules & Compliance at MJL Bangladesh Limited”. The report was assigned to me as a requirement for completion of my internship (BUS400) of the BBA Programme.

During my internship at MJL Bangladesh Limited I had to work on many VAT related tasks, which is when I developed a deeper understanding of the VAT Act 1991. The practical exposure allowed me to observe the implication and implementation of the VAT ACT 1991 first hand. The content of the report would demonstrate my efforts in grasping the VAT Act 1991.

I will be keen in to provide any further clarification regarding the report if required. I would highly appreciate your valuable inquiries and suggestions on the report.

Sincerely Yours

Hassan Ashraf Chowdhury (07204023)
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Acknowledgement

I would like to take this opportunity to thank some individuals without whose support and inspiration the completion of this report might not have been possible. First of all I would like to thank my on-site supervisor Masudul Hoque for his constant support and efforts to answer all the queries I presented in front of him during and after the internship. I would also like to thank my colleagues Shah Md. Mohiuddin and Asaduz Zaman for their cooperation, support and patience in explaining to me all the things I had difficulties in grasping during my tenure at MJL Bangladesh Limited.

I express my sincere gratitude towards my family who never fell short in giving me moral or other kinds of support whenever I was in need. I also appreciate the help, support and suggestions I have received from Jawad Hossain and my other friends & classmates. Without their involvement it would have been very difficult to complete this report. I would also like to extend my heartfelt gratitude towards all the amazing teachers I have come across in BRAC University, all of whom in many ways have contributed to my intellectual development.

Finally, I would like to thank Sharmin Shabnam Rahman, my academic supervisor, who not only approved this topic but provided me with a sense of direction in preparing this report. Without her constructive suggestions it might not have been possible to complete this report.

Executive summary

Value Added Tax or VAT was introduced in Bangladesh in 1991, replacing the then in effect sales tax. VAT was introduced in Bangladesh with the aim greater revenue generation for the government and stimulating economic growth in the country. The set of laws that guide the scope of VAT, Turnover Tax and Supplementary Duty in Bangladesh is known as VAT Act 1991. The VAT Act 1991 contains over 70 laws that guide a business in VAT related issues, from registration to penalties of non-compliance; it also dictates the structure of the VAT authority and the power they may exert upon businesses regarding the three taxes within the realm of the Act if situation demands.

MJL Bangladesh Limited is the one of the biggest names in the lubricant market of Bangladesh. With a market share of over 30%, MJL Bangladesh Limited is the market leader in the lubricant industry of Bangladesh and a sincere tax payer. In the financial year 2010-2011 MJL Bangladesh Limited had paid Tk. 456,547,603 in VAT just for one of its warehouses.

The following report discusses certain selected laws of the VAT Act 1991 and MJL Bangladesh Limited's stance interms of compliance. The report concludes with some suggestions that might help MJL Bangladesh Limited comply with VAT Act 1991 in a better manner.

Objective

The objective of this report is to discuss certain laws of the VAT ACT 1991 and how MJL Bangladesh has managed to comply with those laws. The reason I have selected this topic for my internship report is that I have done my internship in the VAT & Tax wing of the Finance & Planning department at MJL Bangladesh Limited. Hence, I have been able to observe and learn about various laws and how MJL Bangladesh Limited complies with it.

Scope

The VAT Act 1991 contains over 70 laws. However, this report does not discuss all of those laws. Rather it discusses about 13 laws, the compliance of which I have been able to observe during my internship. The report explains the laws contained within in such a way that a general reader will not require a prerequisite knowledge regarding VAT in order to develop an understanding of the report.

Methodology

Primary information required for the report has been collected through observation during the tenure of the internship. Moreover a concrete understanding had been developed by interacting with my supervisor and other colleagues at MJL Bangladesh Limited.

Extensive help from a text book was also required in order to develop an understanding of the VAT Act 1991.

For other general information regarding organization overview, company operations, illustrations used in the report, use of the internet and the company's annual report has been made.

Limitation

A major limitation that has been faced in preparing this report is lack of published statistics, without which it is impossible to evaluate the performance of a VAT regime.

One limitation that will be pronouncedly visible in the report is the lack of ability to think from the point of view of an expert. Since there was no prior knowledge from the course curriculum regarding VAT, grasping the concepts has been slightly difficult.

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Chapter: 01

Company Profile

Company Overview

Mobil Jamuna Lubricants Bangladesh Limited (MJL Bangladesh Limited), co-owned by ExxonMobil Corporation, East Coast Securities and the state owned Jamuna Oil Company is involved in blending, packaging and marketing lubricant products in Bangladesh. The venture was started in 1998 as a partnership between the then Mobil Corporation (known as ExxonMobil Corporation today) and Jamuna Oil Company with the vision of positioning Bangladesh to be one of the few countries in the region mastering the art of blending world class lubricants. MJL Bangladesh Limited has a wholly owned subsidiary that it runs by the name of Omera petroleum limited and this subsidiary is involved with importing, bottling and distributing Liquefied Petroleum Gas (LPG). Recently, MJL Bangladesh Limited has also entered the freight business by purchasing MT Omera Queen, a crude oil tanker. MT Omera Queen is used not only to transport MJL's crude oil supplies but it is also rented out to Bangladesh Petroleum Corporation and other companies in India and Pakistan for transporting their oil supplies, expanding the revenue horizon for MJL Bangladesh. One of the most highlightable features of the company, its source of competitive edge, is its state of the art Lube Oil Blending Plant located in Patenga, Chittagong, which has enabled MJL Bangladesh Limited to be one of the best examples of technology transfer to Bangladesh. The company is serving Bangladesh by not only creating 150+ direct employment opportunities and 2000+ associated employment opportunities but also by lubricating the economic growth of the country by offering world class lubrication solutions to the wide array of machineries and vehicles that motor the industrial growth. Furthermore, it is also adding to the foreign currency reserve of the country through its export revenues.

MJL Bangladesh Limited is till date the first and only joint venture company in the downstream petroleum industry of Bangladesh. Hence, the experience coupled with persistence towards quality and customer satisfaction has enabled MJL Bangladesh Limited to perform tremendously well and profitably even in the recent time frames containing energy price hike, global economic recession and a capital market experiencing sharp swings.

Lube Oil Blending Plant

The lube oil blending plant situated in Patenga, Chittagong is one of its kind and a major source of competitive advantage for MJL Bangladesh Limited. The plant commenced operation in may 2003 and is considered as one of the most technologically advanced lubricant blending facilities in the South East Asian region and is highly capital intensive. The lube oil blending plant strictly adheres to very high Safety, Health and Environmental policies. The whole process of blending is completely computerized, ensuring just the right proportion of the components that would result in a finished product of world class lubricant. The plant earned ISO 9001:2000 certification in 2004 and later in 2008, it received ISO 9001:2000 certification from Germanischer Lloyd. The plant is a zero emission one and is certified by ExxonMobil Quality Integrity Management System (QIMS) and ExxonMobil Quality Practice and Guidelines (QP&G). MJL Bangladesh Limited's lube oil blending plant scored 3.6 out of 4 in the global QIMS audit and 3.4 out of 4 in the global QP&G audit carried out by ExxonMobil in the year 2009-2010. Some of the features of the plant that portray its compliance and commitment towards quality, technology and Safety, Health & Environmental policies include:

- Hot Oil system
- Drum heating oven
- Dry slop tank
- API separator
- Fire fighting capability
- Fully computerized blending system
- Lube oil testing lab with utmost sophisticated equipments

The lube oil blending plant has a capacity of producing 150,000 barrels of lubricants a year, which is pretty high relative to the other players in the industry. It is because of this capacity that MJL Bangladesh Limited can compete in a comfortable manner in the industry since it is almost impossible for competitors to be able to accept bulk orders from clients as they'll not be able to readily match the order due to limitation of capacity.

The operation of the lube oil blending plant is summarized in the figure below:

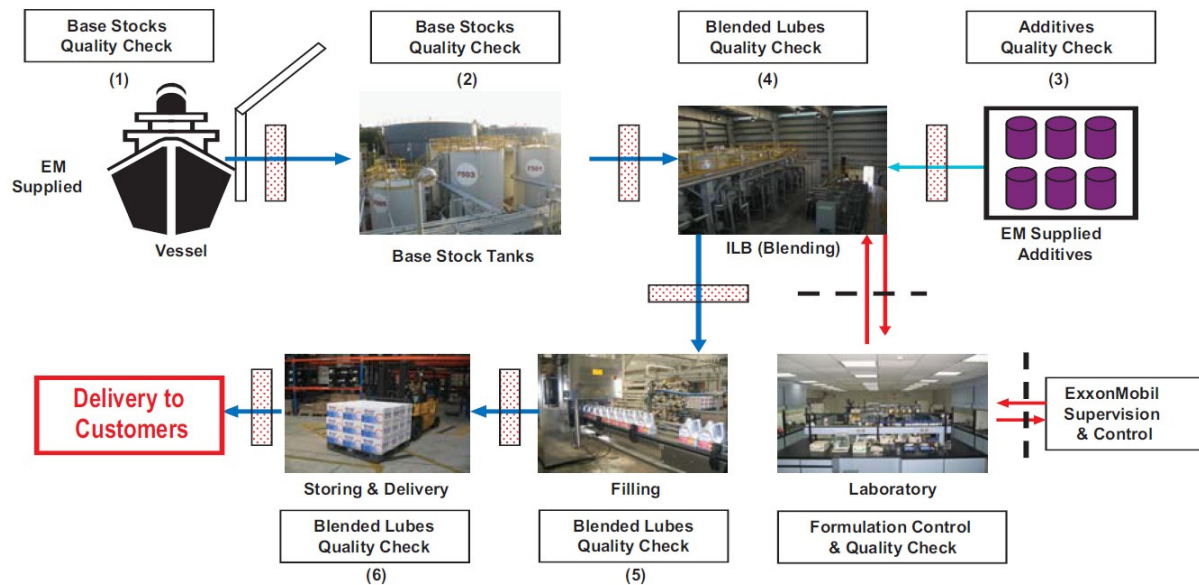


Figure 1: Operation of LOBP

As we can see in the figure above, the whole process of blending lubricants at the plant undergoes quality checks at each and every step, right from the unloading of base stocks from the vessel to the delivery of finished products to the customers. This makes sure that no compromise has been made with quality, thereby ensuring customer satisfaction and Mobil's market position.

Market Position

The lubricant industry of Bangladesh has been and is very competitive with 50+ brands competing in the same market. The annual demand for lubricants in Bangladesh in 2011 was about 450,000 and Mobil has been able to successfully cater to the majority of it. With 32% of the market share, Mobil is considered to be the market leader in the lubricant market of Bangladesh. MJL Bangladesh Limited's success is not limited within the national boundary of Bangladesh. It is also exporting Mobil products to countries such as Nepal and Bhutan and is looking for opportunities to broaden its export horizon. The figure below summarizes the lubricant market of Bangladesh and Mobil's position in it:

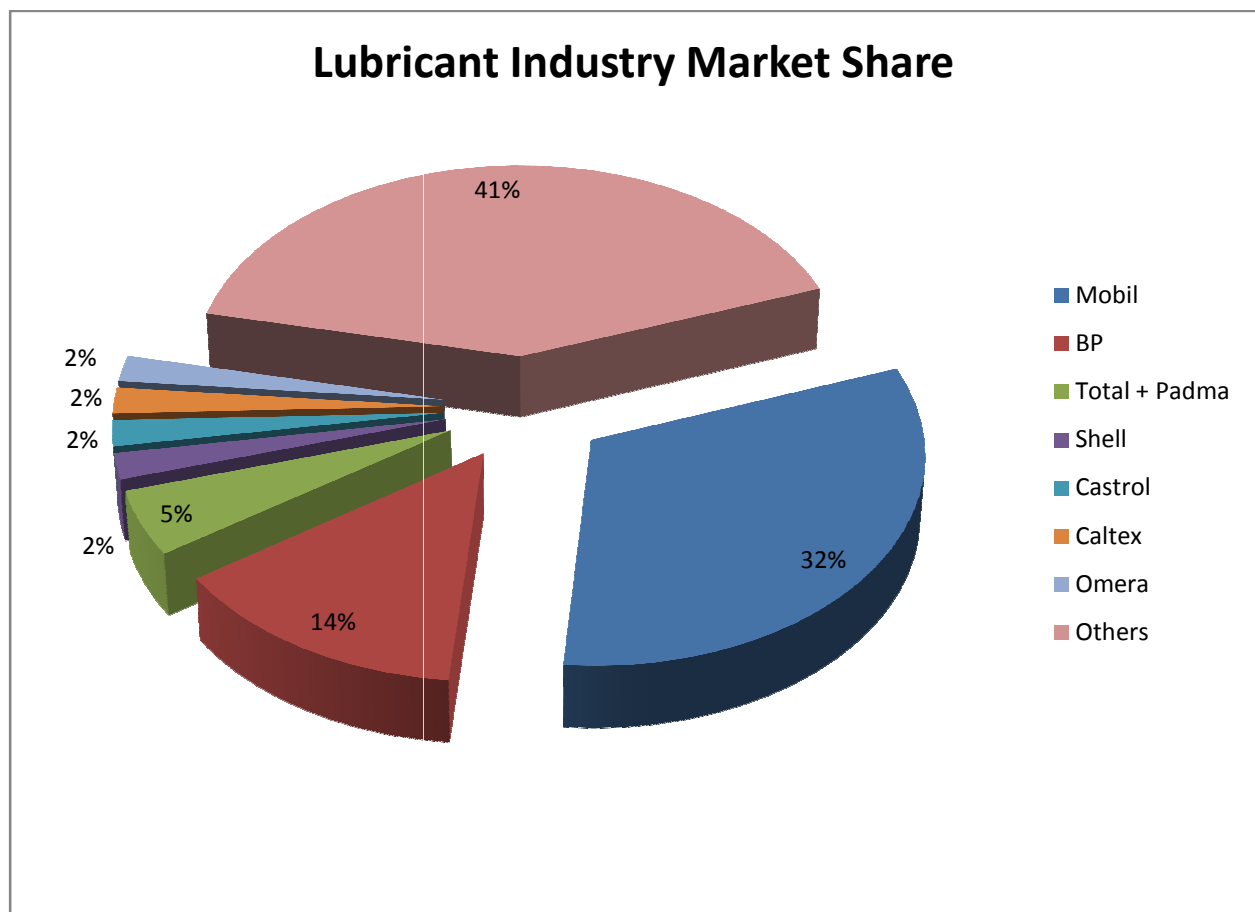


Figure 2: Market share Allocation

Products

MJL Bangladesh Limited has a basket of 120+ products in its basket to offer to its customers. Ranging from passenger vehicle lubricants to marine lubricants, Mobil has lubrication solution for any types of machines that require lubrication. Mobil has got a team of dedicated and expert sales and engineering people who assist potential customers and customers recognize the right product for their lubrication needs. There are numerous products under each product type, to specifically suit the requirements of a customer. The broad categories of Mobil's product offering include:

- Automotive passenger vehicle lubricants
- Automotive commercial vehicle lubricants
- Automotive CNG engine oil
- Automotive gear & transmission fluid
- Antifreeze/coolant
- Brake oil
- Industrial gear & circulating oils
- Turbine & circulating oil
- Hydraulic oils
- Textiles/garments machinery oils
- Gas engine oils
- Compressor oils
- Refrigeration compressor oils
- Other industrial oils
- Marine lubricants
- Greases
- Aviation

Product Distribution

MJL Bangladesh Limited is in an agreement with Jamuna Oil Company that allows MJL Bangladesh Limited to use Jamuna Oil Company's countrywide distribution network of 431 filling stations, 852 agents and 181 packed poin dealers for distribution of its products. The major state owned industries and power plants get access to MJL Bangladesh Limited's products only through Jamuna Oil Company. Besides Jamuna Oil Company's distribution channel, MJL Bangladesh Limited sells its products from its warehouses and sales centers located in Dhaka, Chittagong, Bogra, Sylhet and Jessore directly to over 1000 industrial customers and 74 whole sellers. MJL Bangladesh Limited does not sell to external parties on credit and only sells products against A/C payee cheques, demand drafts or pay orders received, thereby eliminating the possibility of bad debts. The figure below summarizes the distribution process of MJL Bangladesh Limited:

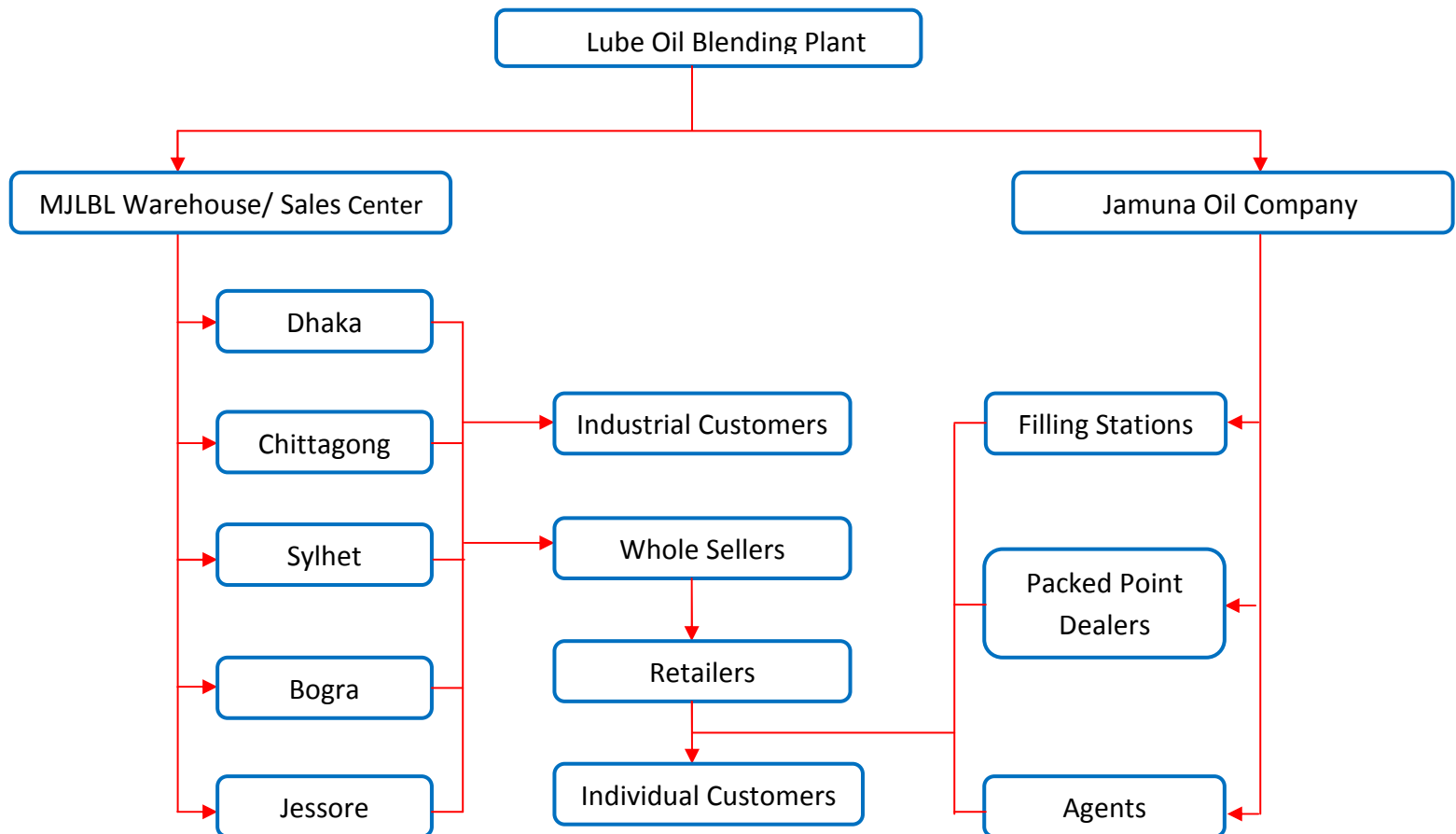


Figure 3: Distribution Process of MJL Bangladesh Limited

Corporate Social Responsibility

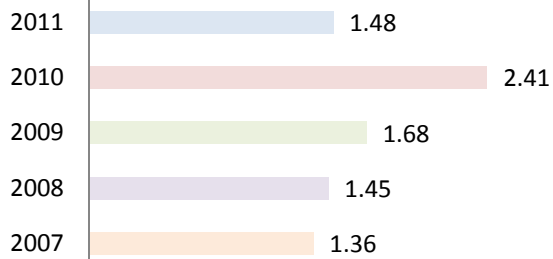
In today's business environment, where people are becoming more and more conscious everyday, it is not possible to establish a sustainable business model without adherence to ethical and legal codes and also without being socially responsible towards the community a business operates in. MJL Bangladesh Limited is a socially responsible corporate citizen. Corporate social responsibility is embedded in the company's business model as it believes a country's people are its source of strength and doing good for the people will positively impact society and the nation as a whole. The element of corporate social responsibility is not only limited to MJL Bangladesh Limited's business processes through strict abidance of safety, health, environmental and ethical policies and norms but it also extends beyond its business process practices. Some of MJL Bangladesh Limited's CSR activities are highlighted below:

- Warm clothes distribution among people suffering from poverty in North Bengal
- Contributed a handsome amount of money to Chittagong City Corporation for rehabilitation of poor and homeless people
- Donated to a charitable organization by the name of 'Bangladesh Navy Ashar Alo School and Rehabilitation Center', dedicated to improve the lives of people with special needs
- Organizing health clinic for employees of Bangladesh Road Transport Corporation
- Organize golf tournaments in Dhaka, Chittagong and Jessore to identify and give a platform to local sporting talents

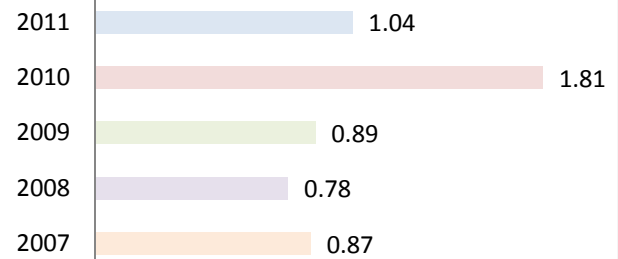
Being aware about the vitality of corporate social responsibility, MJL Bangladesh is set to expand its avenue of CSR activities in the coming years.

Performance Indicators

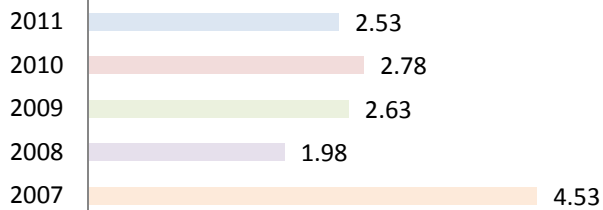
Current Ratio



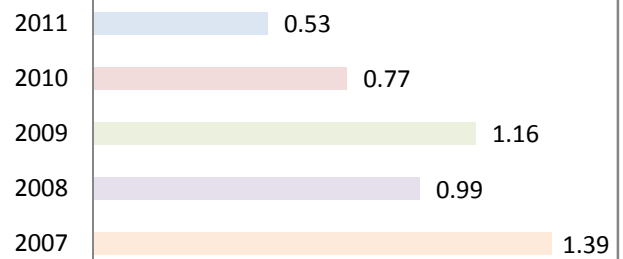
Quick Ratio



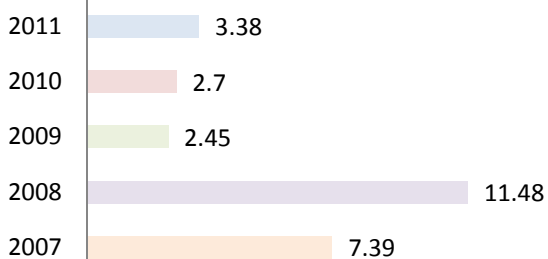
Inventory Turnover Ratio



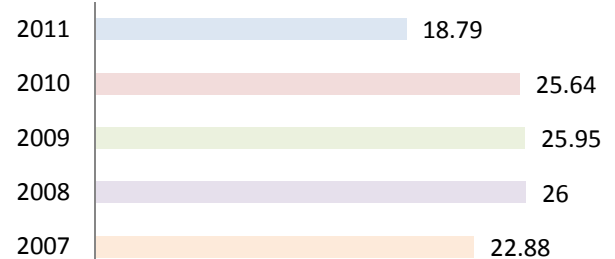
Asset Turnover Ratio



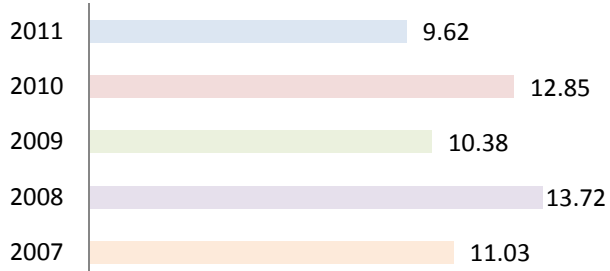
Earnings Per Share



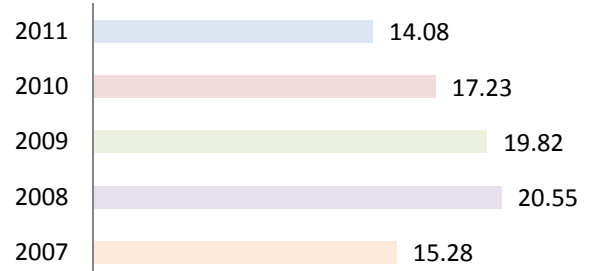
Gross Margin Ratio



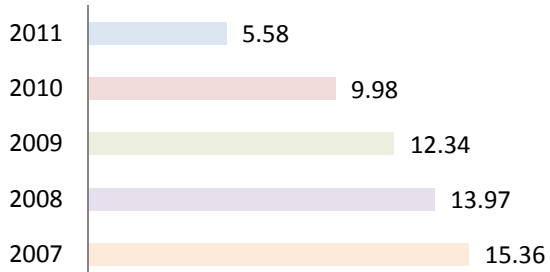
Net Income Ratio



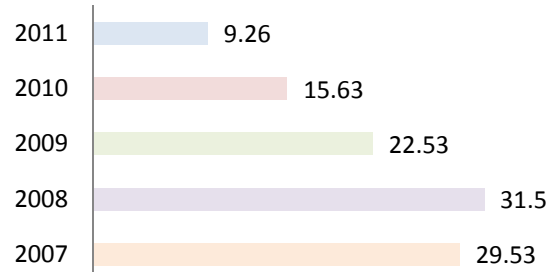
Operating Income Ratio



Return On Asset Ratio



Return On Equity



Financial Highlights

Profit After Tax

increased by

25.26%

to reach BDT 636.78 million

Earnings Per Share

reached BDT

3.38

2010: BDT 2.70

Net Asset Value

per share BDT

36.45

2010: BDT 17.25

Total Assets

grew by

124%

to reach BDT 11,409 million

Share Holder's Equity

rose by

111%

to reach BDT 6,872 million

Chapter: 02

Job Role at MJL Bangladesh Limited

I was an intern at MJL Bangladesh Limited with the VAT & Tax wing of the Finance and Planning department. On the first day of my internship, I was introduced to my on-site supervisor, the Controller- VAT & Tax of the company by the Human Resources manager. I was given a brief orientation and briefing about the specific tasks I would have to do by my on-site supervisor. However, I developed a better understanding of the tasks as I performed them over the period of my internship. During the tenure of the internship I was assigned various tasks within the realm of VAT, which included the following:

- Issuing Mushak-11

Mushak-11 refers to the VAT invoice issued to customers on sales made to them. The issuing of Mushak-11 was a computer based task and was done through the company's ERP software. The various information that had to be provided in the invoice included description of products sold, the date and time of sales and the amount of VAT payable. The issuing of the VAT invoice is a very crucial task at companies complying with VAT Act 1991, because as per law, goods cannot be delivered without this invoice. The task has to be done with a lot of caution because any wrong information provided in the invoice would not only lead to further unnecessary procedures such as issuing debit notes or credit notes but it would also displease customers.

- Updating Purchase Register

The purchase register or Mushak-16 includes information about a company's purchases and the law requires it to be updated on a regular basis. The purchase register was maintained in two forms, in physical registers and also in softcopy. I had to update both the registers on a regular basis and find out balances on the register.

- Updating Sales Register

The sales register or Mushak-17 contains information about a company's sales. All sales made have to be entered in the sales register and the law requires it to be updated on a regular basis. The sales register was also maintained in two forms at MJL Bangladesh Limited and I was assigned to update both the registers. Updating the Sales register was always a more hectic job than updating the Purchase Register because of the huge number of transactions involved. Irrespective of how tiresome the task was, it had to be

done regularly and punctually, since certain data from this register also had to be entered in the Current Register and delaying update work of either the Sales or Purchase Registers would by default lead to an incomplete Current Register.

- Updating Current Register

The Current Register or Mushak-18 is one of the most important books that has to be maintained by a VAT payer. From time to time I was assigned to update the register, which was maintained in two forms, the softcopy and the hardcopy. In order to update the Current Register, the Sales and Purchase registers must be up to date. The Current Register is a bit more complex than the other two registers and hence had to be done with extra caution.

- Accompanying VAT Personnel to the Circle Office

Even though going to the Circle Office to submit Return or Mushak-19 was not in my official job role, I was curious about the process and hence I was allowed a few times to go to the Circle Office with VAT & Tax executives when submitting the Return. My role in this process was limited to just observing how to interact with Circle Office officials and diplomatically dodge any unjust demands they made from MJL Bangladesh Limited.

Chapter: 03

Part One:

VAT- Background

What is VAT

Value Added Tax (VAT) is a multi stage consumption tax that is imposed on the consumption of goods and services that have not been exempted by the law guiding the VAT practices. It is an indirect tax, the burden of which is ultimately borne by the end user of goods or services. Vat is levied in each stage of the production and distribution process of a good from procurement of raw materials to sales. It is levied in each stage of the process on the value added in that specific stage.

Variants of VAT

VAT can be levied upon based on three different variants, each of which treats investments and expenditure of a business in different manners. The three variants are illustrated below:

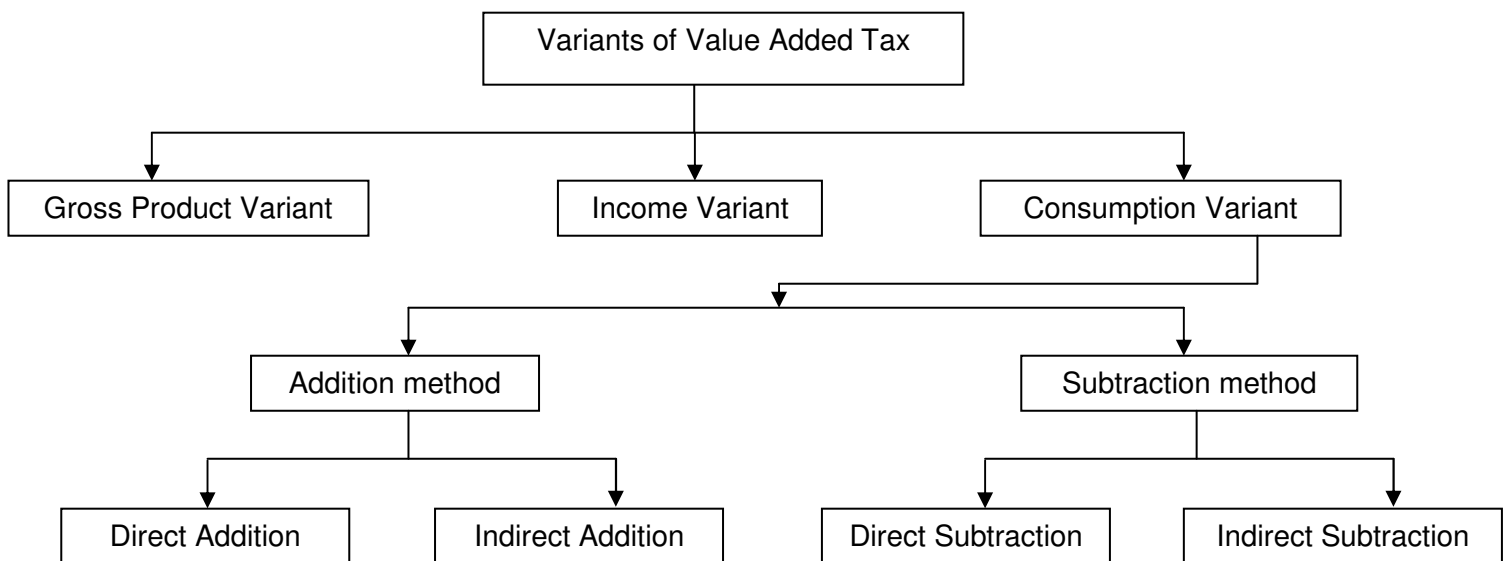


Figure 4: Variants of VAT

- Gross Product Variant:

The Gross Product variant of VAT does not allow rebates to be drawn against raw materials used in the production process neither does it allow deductions against depreciation on capital assets. Owing to the lack of scope of drawing rebates against production inputs and double taxation of capital assets, the Gross Product variant of VAT is not so popular or used by businesses across the world. The economic base of this variant is equal to the Gross Domestic Product.

- Income Variant

The Income Variant of VAT is different from Gross Product variant of VAT such that it has room for drawing rebates against production inputs and also allows deductions against depreciation. In this method, capital investments are taxed on the value of the investment after depreciation has been deducted. The economic base of the income variant of VAT is equal to the Net National Product.

- Consumption Variant

The Consumption Variant of VAT allows rebates against all production inputs and also capital expenditures. It is considered as the most neutral and organized variant of VAT. The economic base of this variant of VAT is equal to the Total Private Consumption. The consumption variant of VAT is the most popular and widely used variant of VAT across the globe due to the following reasons:

- Input tax and output tax are computed separately, hence the calculation is easier
- Since rebate can be drawn against input, the tax incidence at each stage is not very high
- Each transaction in the production and distribution process is documented
- Easier to audit
- Harder to evade
- Relatively lower compliance cost

VAT: Methods of Computation

There are four methods of computing VAT, Direct Addition, Indirect Addition, Direct Subtraction and Indirect Subtraction. Calculation of VAT under each method is shown below:

| Method | Manufacturing (Tk.) | Wholesale (Tk.) | Retail (Tk.) | Total (Tk.) |
|---------------------------------|------------------------|--------------------|-----------------|----------------|
| Direct Addition | | | | |
| a. Wage | 250 | 200 | 150 | 600 |
| b. Rent | 100 | 75 | 50 | 225 |
| c. Interest | 25 | 25 | 15 | 65 |
| d. Profit | 25 | 25 | 10 | 60 |
| e. Total | 400 | 325 | 225 | 950 |
| f. VAT@15% | 60 | 48.75 | 33.75 | 142.50 |
| Indirect Addition | | | | |
| a. Wage | 250 | 200 | 150 | 600 |
| a1. 15% VAT on wage | 37.50 | 30 | 22.50 | 90 |
| b. Rent | 100 | 75 | 50 | 225 |
| b1. 15% VAT on rent | 15 | 11.25 | 7.50 | 33.75 |
| c. Interest | 25 | 25 | 15 | 65 |
| c1. 15% VAT on interest | 3.75 | 3.75 | 2.25 | 9.75 |
| d. Profit | 25 | 25 | 10 | 60 |
| d1. 15% VAT on profit | 3.75 | 3.75 | 1.50 | 9 |
| e. Total VAT (a1+b1+c1+d1) | 60 | 48.75 | 33.75 | 142.50 |
| Direct Subtraction | | | | |
| a. Sales | 1200 | 1525 | 1750 | 4475 |
| b. Purchase | 800 | 1200 | 1525 | 3525 |
| c. Value Addition (a-b) | 400 | 325 | 225 | 950 |
| d. 15% VAT on value addition | 60 | 48.75 | 33.75 | 142.50 |
| Indirect Subtraction | | | | |
| a. Sales | 1200 | 1525 | 1750 | 4475 |
| b. 15% VAT on sales | 180 | 228.75 | 262.50 | 671.25 |
| c. Purchase | 800 | 1200 | 1525 | 3525 |
| d. 15% VAT on purchase | 120 | 180 | 228.75 | 528.75 |
| e. Total VAT (b-d) | 60 | 48.75 | 33.75 | 142.50 |

Table 1: VAT Calculation Methods

The addition methods of calculating VAT are not very popular anywhere in the world. This is because with these methods, it is be very difficult to convince the public on a positive note as they will consider VAT to be similar to corporate and personal income tax and hence additional, since with the addition approach VAT is charged on wages and profit (Le, 2003).

The Indirect Subtraction method also known as the Invoice Credit Method has overtime turned out to be the most used method of VAT calculation. The advantage of using Invoice Credit Method in VAT calculation is twofold, from the perspective of the tax authority and also from that of business entities. From the perspective of business entities, under this method they can claim for rebates against taxes already paid, given that they have transparent documentation for every single transaction in the business process. From the perspective of tax authority, they have a tighter locus of control interms of revenue generation through VAT, since all transactions are required to be documented, thereby making it easier to audit for tax authority and hard for assessee to evade tax.

History of VAT

Value Added Tax or VAT can be considered to be the brain child of German economist Von Siemens, who in the year 1918 proposed the concept of VAT to replace the German Turnover Tax system then. The concept was then discussed and researched upon by many scholars but was not ultimately enforced anywhere in the world before the 1950's. By enforcing VAT in 1954, France became the first country in the world to introduce VAT. The VAT system did not come into force in Asia before the 1970's, with Vietnam being one of the first Asian countries to enforce VAT in 1973. Today, over 140 countries across the globe have adopted the VAT because of its revenue generating potentials. The following table illustrates the rate of VAT and year of adoption for various countries across the world:

| Country | Year of enforcement | Rate (%) |
|-----------|---------------------|----------|
| Denmark | 1968 | 25 |
| Australia | 2000 | 10 |
| China | 1994 | 17 |
| Canada | 1997 | 7 |
| Brazil | 1967 | 20 |
| Thailand | 1992 | 7 |
| Sri Lanka | 1998 | 15 |
| Norway | 1970 | 25 |
| Ghana | 1998 | 12.5 |
| Japan | 1989 | 5 |
| Congo | 1997 | 18 |
| Argentina | 1975 | 21 |
| Poland | 1993 | 22 |
| Venezuela | 1993 | 14 |
| Spain | 1986 | 16 |
| Singapore | 1994 | 5 |
| Pakistan | 1990 | 15 |

Table 2: VAT Rates Across The Globe

History of VAT in Bangladesh

Soon after the liberation war in 1971, in order to improve social and economic circumstances of newly formed Bangladesh, an increasing number of goods were brought within the realm of Excise Duty. In 1976 a nine member enquiry commission was formed to discuss the potential benefits and drawbacks of implementing VAT in Bangladesh and its conclusion was not in favor of implementation of VAT. In 1982 the Sales Tax Ordinance and Turnover Tax Ordinance were introduced to improve the tax system of the country. But unfortunately, due to varying tax rates under the two ordinances and also due to the scope of exemption for some products and services, the taxation system was not being neutral or uniform towards all businesses. Furthermore, since the Business Turnover Tax Ordinance did not allow rebates to be taken against business inputs, a cascading impact was in force and goods were being taxed multiple times and this led to an inflationary effect on the whole economy. A World Bank team visiting Bangladesh in 1986 suggested introduction of VAT in Bangladesh and keeping in line with the suggestion, the procedures of implementation of VAT in Bangladesh had begun, which included visiting other countries that had already introduced VAT to observe and know in details about the VAT system. The VAT Bill 1991 was proposed in the National Parliament on 1st June 1991 and a month later the Bill was passed and made into the VAT Act 1991. The VAT Act 1991 came into force from 1st July 1991, putting the Sales Tax Ordinance 1982 and Business Turnover Tax Ordinance 1982 largely out of use.

In Bangladesh the Consumption Variant is used in the assessment of VAT. In calculation of VAT, the Invoice Credit Method is used due to its advantages over the other methods. From the point of cross border trade or consumption Bangladesh has adopted the Destination Principle, as opposed to Origin Principle. Under destination principle, exports are supposed to be Zero Rated and imports are to be taxed.

Organization Chart of VAT Administration in Bangladesh

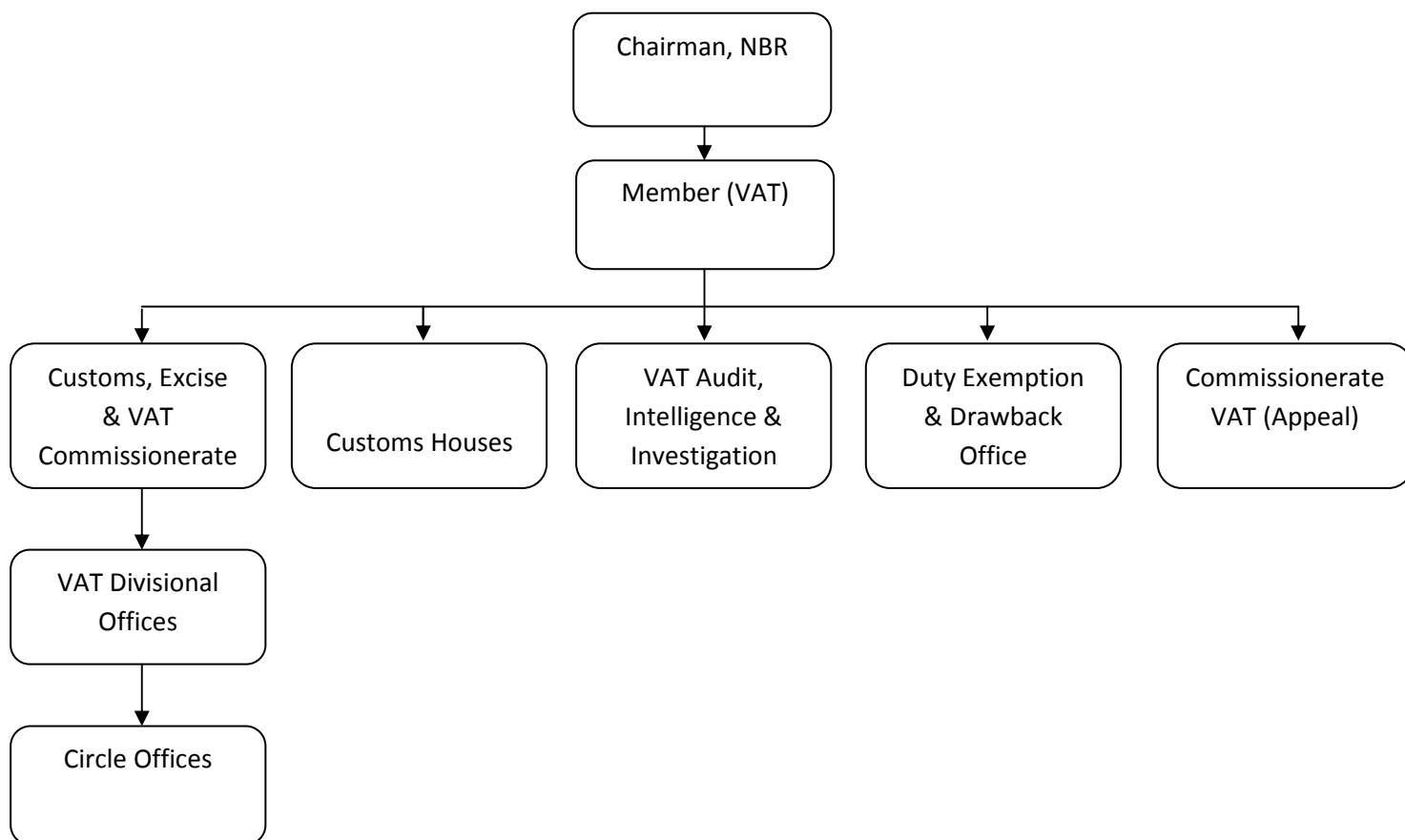


Figure 5: Organogram of VAT Administration

The whole system of VAT administration and collection in Bangladesh is supposed to run very effectively through efficient work of all the departments in the organization chart above and also through smooth coordination between them.

As we can see from the organization chart above the National Board of Revenue (NBR) of Bangladesh sits at the very top of the VAT Administration. The NBR is headed by its chairman, who is reported to about everything in the VAT administration of Bangladesh.

The commissionerate of Customs, Excise & VAT collects VAT from business entities and performs independent audits where it sees necessary. The commissionerate manages to perform these tasks throughout the country by delegating work to the Divisional VAT offices, who then

further delegate work to Circle offices across the country, where necessary. Another task of the Commissionerate of Customs, Excise & VAT is to be in close communication with the Customs Houses and the VAT Audit, Intelligence & Investigation wing to ensure that all information that should reach the Commissionerate does in fact reach the Commissionerate.

The Customs Houses situated in all ports across the country are responsible for collection of VAT on imports, while goods are imported into Bangladesh, whether for consumption or further processing by industries.

The Audit, Intelligence & Investigation wing of VAT, headed by its director General carries out audits on suspicious business entities across the country to prevent VAT evasion. Much of the investigation carried out by this wing of VAT is more often done secretly. When the wing establishes foul play by a business unit, it reports to the concerned Commissionerate so that it takes corrective measures against the unit such as collect due VAT or penalize the business. The task of the Duty Exemption and Drawback Office headed by its Director General is to arrange refunds for customs duty and VAT already paid to VAT authority by businesses. The VAT refund includes those paid by exporters or input taxes paid by businesses operating within the national boundary of Bangladesh.

The VAT Appeal Commissionerate is where a VAT payer can go and appeal against a certain decision concerning him or her, given by either a Customs House, VAT Audit, Intelligence & Investigation team or by the Duty Exemption & Drawback Office which he or she thinks is unjust.

Chapter: 03

Part Two:

VAT ACT 1991-

Rules & Compliance at

MJL Bangladesh Limited

Under the VAT Act 1991 of Bangladesh there are three types of taxes that are imposed upon businesses where applicable. The three kinds of taxes within the jurisdiction of VAT ACT 1991 are as follows:

- Value Added Tax (Section 3, VAT Act 1991)
- Supplementary Duty (Section 7, VAT Act 1991)
- Turnover Tax (Section 8, VAT Act 1991)

According to Section 15 of VAT Act 1991, any business entity manufacturing or supplying goods or rendering services which are subject to paying VAT under Section 3 of VAT ACT 1991 shall have to be registered with the concerned Division Office as VAT payer. Moreover, if a business entity supplies goods or provides services from multiple facilities; all the facilities shall have to be registered as VAT payer individually unless business operation is done centrally, from one specific location. In case of the latter, accounts and records for all facilities have to be maintained centrally, with the facility registered as VAT Payer. Moreover, if a business is exempted from registering for VAT under section 15, it can still voluntarily register as a VAT payer as per Section 16 of VAT Act 1991. In such a case the business will have to register for VAT like any business would do under Section 15 and if the concerned VAT officer is satisfied with the application, he will grant registration of the business and there onwards the business will have to fulfill VAT obligations like any business under Section 15 of VAT Act 1991 would do.

MJL Bangladesh Limited being eligible has registered itself as a VAT payer. The company mainly disburses its products from four locations, the lube oil blending plant, Chittagong warehouse, Dhaka warehouse and Bogra warehouse. The lube oil blending plant has its own VAT registration but the Chittagong warehouse and Bogra warehouse do not have their own VAT registrations but they rather operate under the central warehouse located in Dhaka, which has its own VAT registration with the Dhaka Division Office. The VAT for products disbursed from the Chittagong and Bogra warehouses are paid from the central warehouse. This was initially done for the sake of ease of administration. But overtime the transactions and overall business of MJL Bangladesh Limited have expanded greatly compared to what it was five years back. Back when business was not as big as it is today, it was probably a wise decision to have

one VAT registration for three separate warehouses but given the present scenario it might not be a very wise decision to maintain three warehouses under one registration. This is because the Dhaka VAT & Tax wing of MJL Bangladesh Limited has its own share of work load and on top of that when it has to complete procedures for sales made at two additional warehouses, it leads to a lot of pending work. For example, if the Chittagong warehouse has to transfer products to the Bogra warehouse, it has to go through the Dhaka warehouse since it is the central warehouse. As a result even if the products from Chittagong warehouse have physically reached the Bogra warehouse, they will not be available for selling unless the Dhaka warehouse clears the VAT procedures. Now, let's consider a situation where a customer has for some reason returned a product it has purchased from the Bogra warehouse. The VAT procedure for this would be to issue a credit note and submit the VAT office copy of it to the concerned Circle Office within a certain period of time. The concerned Circle Office for Bogra warehouse is located in Dhaka since the warehouse operates under VAT registration of the Dhaka warehouse. As a result the papers have to be sent via courier to Dhaka. This is not only giving rise to expenses but also making it hard to complete procedures for transaction within the time frame provided by NBR. Hence it can be said that by not registering each of its warehouse as VAT payers MJL Bangladesh Limited is not only losing its reputation with NBR for being punctual about VAT payment but it is also ticking off customers, which can never be good for a business.

According to VAT Act 1991 (3) (2), being in line with the destination principle of VAT, all products or services that are to be exported from Bangladesh are to be taxed at zero rate, implying that no VAT will be charged on the goods or services but at the same time, business entities in question will be able to draw rebates on input tax already paid. The above said will hold true as long as the goods or services exported are not intended to be reimported into Bangladesh later on. Furthermore, under section 3 of VAT Act 1991, a considerable number of products and services are exempted from paying VAT. Some of the categories of goods and services exempted from VAT include:

- Any business under cottage industry
- Live animals
- Meat
- Eggs
- Fish
- Vegetables
- Fruits
- Grain
- Flour
- Cattles and poultry feed
- Dairy Products
- Some plastic and metal products
- Rubber
- Services related to livelihood
- Services related to culture
- Financial activities

Any business venture not related with manufacturing or supplying exempted goods or providing exempted services with a yearly turnover of Taka 20 million or more have to register and pay VAT to the government. Furthermore, as per Section 8 of VAT Act 1991, any business not associated with manufacturing or supplying exempted goods or providing exempted services with an annual turnover of less than Taka 20 million will have to register and pay Turnover tax to the government.

MJL Bangladesh Limited, being in business of products not exempted by the VAT Act 1991 and having an annual turnover of much higher than Taka 20 million, has to pay VAT to the government. The company has to pay VAT on all lubricants and grease it markets locally. Furthermore, it also has to pay import VAT on the raw material import it makes and advance trade VAT on a few finished products in the Mobil range that it imports. However, the company gets zero tax treatment on the products it exports to Nepal and Bhutan and also for the oil transporting service it renders to foreign companies. This implies that MJL Bangladesh Limited does not have to pay VAT for the products and services it exports and at the same time it is able to get tax rebates on the input tax it pays associated with the exports. MJL Bangladesh Limited is one of the elite VAT payers of Bangladesh and has quite a reputation with the National Board of Revenue for its clean records and punctuality regarding VAT procedures.

As per Section 4 of the VAT Act 1991, the supply of taxable goods or rendering of taxable supplies shall be charged with VAT at the prevailing rate, which is 15% on most goods and services. The rate of VAT charged on imports is also 15%. However, the 15% flat rate is not the only rate of VAT prevailing in Bangladesh. There are as many as 8 other truncated tax rates in effect in Bangladesh. Under Section 6 of VAT Act 1991 VAT and supplementary duty (if any) on any imported taxable goods shall have to be paid at the same time, at the import stage. In case of manufacturing and distribution stage of any taxable goods, VAT shall have to be paid whenever one of the following events takes place, whichever takes place first:

- Delivery of goods
- Issuing of invoice related to supply of goods
- Using goods for personal use or supplying them for use of others
- When payment for goods is received either in part or full

In case of services rendered, VAT shall be payable when one of the following occurs, whichever occurs first:

- Service is rendered
- Invoice related to service is issued
- When payment for service is received either in part or full

MJL Bangladesh Limited pays advance trade VAT on the import of certain finished products in the Mobil 1 range that it markets directly in the local market. The rate at which advance trade VAT is imposed is 3%. The advance trade VAT is paid in addition of the basic import VAT on import of goods, thus making it a tax on the net value added by an importer (Smith, Islam, & Moniruzzaman, 2011). The company pays the advance trade VAT at the same time it pays the basic import VAT of 15%. Supplementary Duty is also paid by MJL Bangladesh Limited on a few finished products that it imports for marketing in the local market such as the Mobil 1 and the racing motor oil range. Vat is paid on the goods supplied to the local market at the rate of 15%. When customers fill up the purchase order form at MJL Bangladesh Limited, they fill up the form at prices inclusive of the VAT and the VAT is also paid for by the customers at the same time they pay for the goods. “Mushak-11”, the invoice issued against VAT paid by the customers is issued to them right after the delivery certificate against their purchase order form has been issued and right before the goods are brought out of the warehouse for delivery. For the goods to be taken out of the warehouse for delivery, a customer has to present the delivery certificate at the warehouse along with Mushak-11 invoice provided to them by the VAT personnel and otherwise a customer will not be able to receive the delivery of goods. Once, the Mushak-11 invoice is presented at the warehouse, the warehouse personnel further go through the issued Mushak-11 just to make sure all the relevant information have been provided correctly. This tells us how sincerely and seriously MJL Bangladesh Limited fulfills its VAT related obligations and responsibilities.

Under Section 5 of VAT Act 1991, the value of goods imported into Bangladesh have to be declared, base on which the VAT is to be charged. The value declaration at the import stage has to be done by filling up the “Mushak-1Ka” and submitting it to the concerned Division Office. The method of calculating the value of the product on which VAT is to be charged at the import stage is given below:

$$\text{VAT chargeable base} = \text{Import duty chargeable base} + \text{Import duty} + \text{Supplementary duty} + \text{Other Taxes}$$

Here, the import duty chargeable value refers to the assessable value entered in column 46 of the Bill of Entry for goods being imported. Other taxes refer to taxes such as Regulatory Duty, Safeguard Duty, etc. where applicable

Similarly, at the manufacturing stage a value declaration has to be made so as to state the base on which VAT is to be charged. The value declaration at the manufacturing stage has to be done by filling up the “Mushak-1” form and submitting it to the concerned Division Office. The business shall have to start calculating VAT based on the declaration made right from the day the application is submitted to the concerned office. If the Division Office has any objection relating to the value declaration, it will have to notify the company within 15 working days from the time of submission of the “Mushak-1” form. If no objection is brought by the Division Office within 15 working days, the declared value can be considered accepted by the Division Office. If the Division Office raises any objection about the value declaration and the company sees it as not just, it has to appeal to the Commisionerate of VAT (Appeal) within 15 working days from the time of the objection raised, otherwise it will be considered that the company has accepted the objection raised by the Division Office. The method of calculating the base on which VAT is to be charged at the manufacturing stage is given below:

$$\begin{aligned} \text{VAT chargeable base} = & \text{Import duty chargeable base} + \text{Import Duty} + \text{Supplementary Duty} + \\ & \text{Other taxes} + \text{Penalties at import stage} + \text{Commissions} + \text{Charges} + \\ & \text{Bank interest} + \text{Transportation costs} + \text{Remuneration} + \text{Depreciation of} \\ & \text{machineries} + \text{Cost of raw materials} + \text{Profit} \end{aligned}$$

It is to be noted that after establishing the value base of a product, if a company due to any reason wants to bring a change in the declared value of its products, it will have to rerun the

entire value declaration process and submit the relevant “Mushak-1” form to the Division Office. Furthermore, in case of products that have established Maximum Retail Price (MRP), the manufacturer can, if it wants, declare value based on the MRP. In such cases, the following conditions have to be met:

- The MRP must be mentioned on the packaging of the product
- The manufacturer must be willing to declare value based on MRP
- The VAT chargeable value must be atleast two-third of the MRP
- The value declaration must be done through “Mushak-1Gha” form along with a sample of the packaging of the product
- The MRP based value declaration will be in effect only after approval is received from the Division Office

If a customer wants to know the base value of a product on which VAT is being charged of a product or service he or she is purchasing, the following formula can be used:

$$\text{VAT chargeable price} = \frac{\text{Price (Inclusive of VAT)} \times 100}{100 + \text{VAT Rate}}$$

MJL Bangladesh Limited abides by all the above mentioned rules and procedures very strictly in declaring the value of its imports and each of its 120 + products that it offers in the market. The company declares the value of its products in the normal way for all its products except the ones in the Mobil 1 range. The value of products in the Mobil 1 range is declared based on MRP in order to maintain exclusivity and price uniformity of the products. MJL Bangladesh Limited has been facing major revenue loss during its promotional activities due to lack of coordination between value declaration and its ERP software. For example, during a promotional offer where customers were getting a free drum of Mobil Delvac on purchase of 10, MJL Bangladesh Limited was losing a lot of money in the form of VAT paid on the free product. In reality, customers were not paying VAT on the free products but MJL Bangladesh Limited had to pay VAT from its own pocket. When asked why they were not solving this

problem through value declaration, it was found out that value declaration could be done in the proper way, avoiding this revenue loss. The actual problem was with the company's ERP software which was used to process the VAT aspects of a transaction. Even though price of promotional offers could be declared as bundled products (which would eliminate the problem of extra VAT) the ERP software could not process transaction of bundled products. As a result the disbursement of the free product was being processed as sales of an extra drum, which lead to the extra VAT payment. If this problem is not addressed, the potential profitability of promotional offers would be undermined by payment of extra VAT and thereby somewhat nullifying the whole point of introducing promotional offers.

The process of setting-off VAT paid by a business while purchasing its inputs (input tax) against VAT paid on its outputs (output tax) is known as rebates. For example, a business has paid Tk. 100 in input tax and has output tax incidence of Tk. 175. If the business can take a rebate of the entire amount of the input tax, the amount of tax it has payable to the government is:

$$\begin{aligned}\text{Net VAT} &= \text{Output tax} - \text{Rebate} \\ &= \text{Tk. 175} - \text{Tk. 100} \\ &= \text{Tk. 75}\end{aligned}$$

According to Section 9 of the VAT Act 1991, manufacturers or suppliers of taxable goods or providers of taxable services are entitled to receive rebate on input taxes against output taxes paid in the same period, except in the following cases:

- VAT paid on input is used in production of goods or provision of services exempted by VAT Act 1991
- Turnover Tax rather than VAT applies to the business in question
- Supplementary duty paid against inputs
- VAT paid on reusable packaging at any time except the first time
- VAT paid on Architectural plan, construction, expansion & renovation of buildings, purchase & repair of furniture, air conditioners, fan, lighting equipments and generators even if directly related to production of taxable goods or providing of taxable services
- VAT paid on expenditure on travel, entertainment and staff welfare activities
- VAT paid on inputs that have not yet been entered in the Purchase Register(Mushak-16)
- VAT paid on cell phone bill

Moreover, it is also to be note that only partial rebate will be allowed on the following services:

| Name of Service | Percentage of Rebate allowed |
|--|------------------------------|
| Insurance, gas and electricity | 80 |
| Telephone, fax, internet, C&F agent, Wasa supplied water, accounting firm, security service, legal consultant and transportation | 60 |

There are certain conditions that a business has to meet in order to receive rebates against input VAT paid. The conditions include:

- The imported or purchased inputs have to enter the premises of the VAT registered business and the records have to be entered in the purchase register (Mushak-16)
- The business must have its copy of Mushak-11, which it received from the seller on purchase of inputs. The VAT registration number of the business must also have to be stated in the Mushak-11 form
- Rebates must be filed with the concerned Circle office within two months from the time of payment of input VAT

MJL Bangladesh receives rebates on all its input taxes from import duty to internet service bills. Adherence to the conditions for availing rebates is strictly maintained MJL Bangladesh Limited. In case of filing for rebates the company is rather proactive and files for rebates at the beginning of each month while submitting its returns (Mushak-19), which is one month from the time of payment of input VAT, even though the time allowed is two months.

The system of Value Added Tax is based on records and documentation. Records are important primarily for two reasons, one, for that of audits and two, for that of rebates. Hence the VAT Act 1991 stipulates the issuing, maintenance and preserving of the following:

- Mushak-11 (Tax Invoice)

As per Section 32 of the VAT Act 1991, any business supplying taxable goods or providing taxable services (VAT) has to provide a tax invoice known “Mushak-11” to its customers on sales of goods or services. However, entities registered within the realm of Turnover Tax or Cottage Industry may use their sales receipt or money receipt as record of the tax collected. Failing to issue Mushak-11 on a certain transaction will not enable that transaction to qualify for receiving rebate on input taxes. The Mushak-11 invoice has to contain certain information criteria provided by NBR and it has to be on a 3 ply carbon paper. The first copy of the invoice is to be provided for carrying in the vehicle transporting the sold products. The second copy of the invoice has to be submitted to the concerned Circle Office within 5 working days from the time the sale has been made. As per Section 33 of VAT Act 1991, the third copy of the invoice has to be kept in the premises of the issuing entity for atleast 6 years and archived for possible future audits or other purposes. (Please refer to Appendix 1)

- Mushak-16 (Purchase Register)

Under Section 31 of the VAT Act 1991, every supplier of taxable goods or provider of taxable services has to maintain a purchase register named “Mushak-16”. This register contains records of all inputs used in production that have been stated in the Mushak-1 form while deducing price of the product, such as:

- All raw materials
- Energy resources (gas, electricity, etc.)
- Packaging
- C&F agent commission
- Etc.

The information contained in this register is used for taking decisions regarding the following:

- Purchase of VAT chargeable and VAT exempted inputs
- Taking rebates
- Raw material stock

The register has to be maintained based on financial year and not calendar year and a single register is to be used for only one financial year. The register must be maintained and updated on a regular basis and the balances or stocks of inputs must be mentioned for each tax period. As per Section 33 of the VAT Act 1991 the sales register for any given year has to be archived and kept for atleast six years incase of future needs.

○ Mushak-17 (Sales Register)

Under Section 31 of VAT Act 1991, every business supplying taxable goods or providing taxable services must maintain Mushak-17 or the sales register. Sales of products or services must be recorded in this register and the register must be divided into as many products or services as the business offers, implying that a particular number of pages in the register has to be allocated for each product or service, depending on the sales. Sales register like the purchase register must be maintained based on the financial year and not the calendar year. The sales register must also be continually updated and sales should be entered in the register as soon as they are made. Section 33 of VAT Act 1991 obligates any applicable business to archive and keep the register for atleast 6 years in the premises of the business.

○ Mushak-18 (Current Register)

The sales and purchase register account for the stock of raw materials and manufactured products for a taxable business, whereas the Mushak-18 or current register gives us details of monetary transactions such as sales, purchase, treasury deposit, VAT payable & rebateable and other taxes.. Input taxes are set off against output tax in the current register and as per Section 31 of VAT Act 1991, any business related to supplying of taxable goods or providing of taxable services must maintain the current register. Transactions for which input tax is applicable (purchase of raw materials) and transactions for which output tax is applicable (sales of finished products) must be entered into the purchase and sales respectively first. After entering such transactions in

the relevant registers, the reference and date of the entries must be entered in the fourth and fifth column of the current register respectively. The balance of the current account must at all times be positive and if it is negative, goods can not be sold to the customers. It is ideal to maintain a current account balance which is equivalent to 15% of the sales value of all the goods in a business's warehouse. The current register has to be a two ply carbon book and the original copy of the current account has to be submitted to the concerned Circle Office while submitting the monthly return (Mushak-19). Under Section 33 of the VAT Act 1991 the carbon copy of the current register has to be archived and kept in the premises of the business for atleast 6 years.

○ Mushak-12 (Credit Note)

Whenever VAT already paid is needed to be returned, credit note or Mushak-12 has to be issued (Please refer to Appendix-2). The following circumstances call for issuing of Mushak-12:

- If circumstances for any reason call for cancellation of Mushak-11 already provided to customer
- If customer returns the goods already sold or demands refund for service provided
- If VAT charged in Mushak-11 is more than actual VAT receivable

The VAT return filed for through Mushak-12 is adjusted by adding it under receivable rebates in Mushak-18 (current register), however, the following conditions have to be met in issuing a credit note:

- The credit note has to be issued within ninety days of selling a good or providing a service
- The credit note has to be submitted to the concerned Circle Office within the next working day of issuing
- The Mushak-12 form has to be a three ply carbon form. The first copy is to be provided to the customer, the second copy is to be submitted to the Circle Office and the third copy has to be retained by the business

- Mushak-12Ka (Debit Note)

If after issuing Mushak-11 to a customer, it is found out that VAT received is less than actual amount of VAT receivable, the Mushak-11 form has to be discarded and a Mushak-12Ka has to be issued. The debit note form has to be a three ply carbon form (Please refer to Appendix 3). The first copy of the form is to be provided to the customer, the second copy to the Circle Office and the third copy has to be retained by the business. The amount of VAT paid less is adjusted by adding it under output tax payable in the current register.

- Mushak-19 (Return Submission)

The VAT return is a statement summarizing the business activities of a business entity in terms of import, purchase, sales, rebates, output taxes, treasury deposits, etc. for a tax period (Please refer to Appendix-4). Under Section 35 of VAT Act 1991, a business associated with supplying of taxable goods or rendering of taxable services shall submit Mushak-19 or VAT return to the concerned circle office for each month within the 15th of the next month. Other documents that need to be submitted with Mushak-19 include:

- Original copy of current register
- Any other document demanded by the Circle Office

At MJL Bangladesh Limited, most of the VAT laws are respected and abided by. The VAT and Tax wing of MJL Bangladesh Limited tries its best to maintain all the records the law demands, in the way it demands. However, due to immense workload of the Dhaka office itself, the added workload on the Dhaka office by the Chittagong & Bogra warehouse and lack of VAT & Tax personnel, it was often found that the sales, purchase and current registers were not being updated regularly and a lot of work regarding the registers were pending. Moreover, it was sometimes found that due to lack of VAT & Tax personnel the warehouse personnel were issuing the Mushak-11 invoice. It is possible for the warehouse personnel to perform these tasks hastily or with negligence, since it is not actually a part of their job; any negligence done by them will ultimately have to be accounted for by the VAT & Tax department and the company as a whole. Furthermore, one of my job roles included updating the Sales Register for a three month period that dated back to 2008. This implies that even if MJL Bangladesh Limited is complying

to VAT Act 1991 properly now, the scenario might not have been the same throughout. Under Section 37 of VAT Act 1991, any negligence or non compliance of the law will be penalized by imposing monetary fines to even locking down of business premises.

Chapter 4:

Recommendation &

Conclusion

Recommendations

- Separate VAT registrations should be obtained for the Chittagong warehouse and Bogra warehouse. One of the reasons that the company has not already done this is because it fears non compliance owing to of lack of knowledgeable, skillful and honest people in the area of VAT & Tax in Bangladesh. Even though the chances of non compliance can not be completely blown away, it is still no reason to not recruit personnel when required. Non compliance can also take place in the current scenario of the company due to excess work load on existing personnel. Hence, the warehouses should be given their own VAT registrations and the recruitment for them should be done with extra effort than would have been done otherwise. The Human Resource Department and the Finance and Planning Department should work together in the recruitment process and extensive training should be provided to the newly recruited, inorder to minimize the chance of non-compliance.
- If separate VAT registrations are not obtained for the Chittagong and Bogra warehouses, the status of central warehouse should be shifted from the Dhaka warehouse to the Lube Oil Blending Plant. Usually in circumstances where a central warehouse operates other warehouses under its VAT registration, the status of the central warehouse is given to the manufacturing plant. This makes more sense because products can then be directly sent to other warehouses instead of being sent via the central warehouse located in a different location. Hence, MJL Bangladesh Limited should make the Lube Oil Blending Plant its central warehouse if it plans to continue to operate the Chittagong and Bogra warehouses under the central warehouse. This is going to be more advantageous over the current setup because in the proposed change, goods will be directly available for sale in the units to which they are being transferred, as opposed to the current setup, where goods are not available for sales in the units to which they are transferred unless the central warehouse in Dhaka completes the VAT procedures for the transfer.
- MJL Bangladesh Limited should develop a new software unique to the VAT procedures of a transaction, since the current ERP software is not complementing the processing of promotional offers. Moreover, in the future, when promotional offers involving free products are given, the company should make new value declarations. For example, if the

offer is a free drum on purchase of ten drums, the price declaration should be made for a new product, as a lot. The lot would include eleven drums but the VAT chargeable base for the lot would be declared as the price of ten drums. If a new software is developed to that can process this transaction, then MJL Bangladesh Limited will not have to pay excess VAT and it will be able to tap into the profitability potential of promotional offers properly, without undermining profits.

Conclusion

VAT was introduced in Bangladesh twenty one years ago, in 1991 with the aim of stimulating economic growth and generating revenue for the government. NBR statistics show that the majority of the government's tax revenue is accounted for by VAT and in that sense it can be said that the Bangladesh VAT regime has been very successful. However, according to a research published by Policy Research Institute it has been found that Bangladesh has an overall tax effort of 0.60, which is the lowest among South Asian Countries. Furthermore, if we observe our everyday lives, we will be able to notice that very often we consume products or receive services such as those in many gas stations or restaurants where we do not pay VAT to government for our share of consumption. This indicates that there are still a lot of businesses out there who do not pay VAT sincerely. Hence, the government should increase tax effort by creating awareness, enhancing audits, digitizing the current analogue VAT system. Being unable to do so will eventually lead to fall in revenue from VAT because it will at one point be frustrating for businesses such as MJL Bangladesh Limited who pay VAT sincerely. If NBR does not look into this matter with utmost sincerity and priority, being a responsible business entity and paying VAT regularly will actually prove to be a competitive disadvantage for business entities if their competitors manage to successfully evade VAT and hence this will eventually bring non-compliance of VAT Act 1991 among businesses who are currently complying to it.

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1. Customer copy of Mushak-11

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2. Customer copy of Mushak-12

ক্রেডিট নোট
[বিধি-১৭ক দ্রষ্টব্য]

গ্রাহকের কপি
মুসক-১২

ব্যবসায় প্রতিষ্ঠানের নাম :
ঠিকানা :
করদাতা সনাক্তকরণ সংখ্যা :
ক্রেতা/গ্রহীতার নাম :
ঠিকানা :
করদাতা সনাক্তকরণ সংখ্যা :
যানবাহনের প্রকৃতি এবং নম্বর :

টেলিফোন নং :
ফ্যাক্স নং :
ক্রেডিট নোটের ক্রমিক সংখ্যা :
ক্রেডিট নোট প্রদানের তারিখ :

| ক্রমিক সংখ্যা | চালান পত্রের ক্রমিক সংখ্যা ও তারিখ | প্রত্যর্পণকৃত পণ্য / সেবা | | | | চালান পত্রে উল্লেখিত [ধারা ১০ (১) (ঙ) সংশ্লিষ্ট] | | হ্রাসকৃত বা ক্রটিপূর্ণ ধারা ১০ (১) (ঙ) সংশ্লিষ্ট] | | |
|------------------|--|---------------------------|--------|--|----------------------------|---|----------------------------|--|----------------------------|--------------------------------|
| | | পণ্য / সেবার | | মোট মূল্য (সকল প্রকার কর ব্যতীত) | অন্যান্য করের পরিমাণ | মূল্য সংযোজন করের পরিমাণ | অন্যান্য করের পরিমাণ | মূল্য সংযোজন করের পরিমাণ | অন্যান্য করের পরিমাণ | মূল্য সংযোজন করের পরিমাণ |
| | | নাম | পরিমাণ | | | | | | | |
| ১ | ২ | ৩ | | ৪ | ৫ | ৬ | ৭ | ৮ | ৯ | ১০ |
| | | | | | | | | | | |

ক্রেডিট নোট প্রদানের কারণ :

বিক্রেতার স্বাক্ষর ও সীল

3. Customer copy of Mushak-12ka

ডেবিট নোট
[বিধি-১৭ক দ্রষ্টব্য]

গ্রাহকের কপি
মুশক-১২ক

ব্যবসায় প্রতিষ্ঠানের নাম :
ঠিকানা :
করদাতা সনাক্তকরণ সংখ্যা :
ক্রেতা/গ্রহীতার নাম :
ঠিকানা :
করদাতা সনাক্তকরণ সংখ্যা :
যানবাহনের প্রকৃতি এবং নম্বর :

টেলিফোন নং :
ফ্যাক্স নং :
ডেবিট নোটের ক্রমিক সংখ্যা :
ডেবিট নোট প্রদানের তারিখ :

| ক্রমিক সংখ্যা | চালান পত্রের ক্রমিক সংখ্যা ও তারিখ | চালানপত্রে উল্লিখিত তথ্য | | | | | কম প্রদর্শিত বা পার্থক্যজনিত | |
|------------------|--|---------------------------|--------|--|----------------------------|-----------------------------|---------------------------------|-----------------------------|
| | | পণ্য / সেবার নাম ও পরিমাণ | | মোট মূল্য (সকল প্রকার কর ব্যতীত) | অন্যান্য করের পরিমাণ | মূল্য সংযোজন করের পরিমাণ | অন্যান্য করের পরিমাণ | মূল্য সংযোজন করের পরিমাণ |
| | | নাম | পরিমাণ | | | | | |
| ১ | ২ | ৩ | | ৪ | ৫ | ৬ | ৭ | ৮ |
| | | | | | | | | |

ডেবিট নোট প্রদানের কারণ :

বিক্রেতার স্বাক্ষর ও সীল

4. Mushak-19

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
জাতীয় রাজস্ব বোর্ড
ঢাকা।

মূল্য সংযোজন কর দাখিলপত্র
[বিধি ২৪(১) দ্রষ্টব্য]
(এই ফরম পূরণের পূর্বে নির্দেশিকা পড়ুন)

মুসক - ১৯

কর মেয়াদ: October 2012 বৎসর

করদাতা সনাক্তকরণ সংখ্যা : 5101034190

নাম :

ঠিকানা :

ফোন : 8813597-8

শূন্য দাখিলপত্র (কর মেয়াদে কোন ক্রয় বিক্রয় হয় নাই)

| বিক্রয় সংক্রান্ত তথ্য | | বিক্রয় মূল্য | সম্পূরক শুদ্ধ | মূল্য সংযোজন কর |
|------------------------|--|----------------|---------------|-----------------|
| ১। | করযোগ্য পণ্য, সেবা বা পণ্য ও সেবার নীট বিক্রয় | 177,141,497.00 | - | 26,571,224.00 |
| ২। | শূণ্য হারের পণ্য বা সেবার বিক্রয় (রপ্তানি) | \$ - | | |
| ৩। | অব্যাহতিপ্রাপ্ত পণ্য, সেবা বা পণ্য ও সেবার নীট বিক্রয় | - | | |
| প্রদেয় হিসাব | | পরিমাণ | | |
| ৪। | মোট প্রদেয় কর (সারি ১ হইতে SD + VAT) | 26,571,224.00 | | |
| ৫। | অন্যান্য সমন্বয়করণ (প্রদেয়/উৎসে কর্তন/বকেয়া/ অর্ধদণ্ড/জরিমানা/ স্থান ও স্থাপনা ভাড়া গ্রহনকারী) | - | | |
| ৬। | সর্বমোট প্রদেয় (সারি ৪ + ৫) | 26,571,224.00 | | |

| ক্রয় সংক্রান্ত তথ্য | | ক্রয় মূল্য | রেয়াতযোগ্য কর |
|----------------------|--|----------------|----------------|
| ৭। | স্থানীয় পর্যায়ে করযোগ্য পণ্য, সেবা বা পণ্য ও সেবার ক্রয় | 177,803,217.00 | 26,670,483.00 |
| ৮। | করযোগ্য পণ্য, সেবা বা পণ্য ও সেবার আমদানী | - | - |
| ৯। | রপ্তানীর ক্ষেত্রে অন্যান্য কর রেয়াত | - | - |
| ১০। | অব্যাহতিপ্রাপ্ত পণ্য, সেবা বা পণ্য ও সেবার ক্রয় | - | - |

| উৎসে কর্তন/রেয়াত / প্রত্যর্পণ হিসাব | | পরিমাণ |
|--------------------------------------|---|---------------|
| ১১। | মোট রেয়াতযোগ্য কর (সারি ৭ + ৮ + ৯) | 26,670,483.00 |
| ১২। | অন্যান্য সমন্বয়করণ (রেয়াত/ পাওনা/আমদানি পর্যায়ে অগ্রিম মুসক) | 20,673.00 |
| ১৩। | পূর্ববর্তী মাসের জের | 11,552,208.00 |
| ১৪। | সর্বমোট রেয়াত (সারি ১১ + ১২ + ১৩) | 38,243,364.00 |

| চূড়ান্ত হিসাব | | পরিমাণ |
|----------------|--------------------------------|-----------------|
| ১৫। | নীট প্রদেয় (সারি ৬ - সারি ১৪) | (11,672,140.00) |
| ১৬। | ট্রেজারিতে জমা | - |
| ১৭। | পরবর্তী মাসের প্ররদিক জের | 11,672,140.00 |
| ১৮। | পরিদপ্তর হইতে প্রত্যর্পণ | - |

| সরবরাহকারী কর্তক উৎসে মুসক কর্তনের হিসাব | | পরিমাণ |
|--|-------------------------------|--------|
| ১৯। | উৎসে কর্তিত মোট মুসকের পরিমাণ | |

আমি ঘোষণা করিতেছি যে, এই দাখিলপত্রে উল্লিখিত সকল তথ্যাদি সত্য ও সঠিক

তারিখ : 18.10.2012

সংযুক্তি- বিধি ২৪ এ বর্ণিত সকল কাগজাদি / দলিলাদি।

অফিসের ব্যবহারের জন্য

| | |
|---|---|
| (স্থানীয় মূল্য সংযোজন কর কার্যালয় পূরণ করিবে) | |
| তারিখঃ | মন্তব্যঃ |
| ১। প্রাপ্তি | সহকারী রাজস্ব কর্মকর্তা এর স্বাক্ষর ও সীল |
| ২। রাজস্ব কর্মকর্তা এর নিকট প্রেরণ | |
| ১। প্রাপ্তি | মন্তব্যঃ |
| ২। বন্টন | |
| ৩। কমিশনারেট অফিসে প্রেরণ | |
| রাজস্ব কর্মকর্তা এর স্বাক্ষর ও সীল | |
| (কমিশনারেট অফিস পূরণ করিবে) | |
| তারিখঃ | মন্তব্যঃ |
| ১। প্রাপ্তি | স্বাক্ষর ও সীল |
| ২। পরিদপ্তরে প্রেরণ (প্রযোজ্য ক্ষেত্রে) | |
| ৩। কম্পিউটারে এন্ট্রি | |
| ৪। ফলোআপ পত্র প্রেরণ | |
| (পরিদপ্তর পূরণ করিবে) | |
| তারিখঃ | মন্তব্যঃ |
| স্বাক্ষর ও সীল | |
| ১। প্রাপ্তির তারিখঃ | |
| ২। পর্যালোচনাঃ | |
| ৩। মন্তব্যঃ | |
| | |
| | |
| মঞ্জুরকৃত টাকার পরিমাণঃ | |
| জমা প্রদানের একাউন্ট নম্বরঃ | |
| ৪। কমিশনারেট অফিসে প্রেরণ (তারিখ)ঃ | |
| তারিখঃ | |
| কর্মকর্তার স্বাক্ষর ও সীল | |