

Foreign Exchange Policy Department

Bangladesh Bank
Head Office, Dhaka.
www.bb.org.bd.

FE Circular No. 04

Date : 14 February, 2016

All Authorized Dealers of
Foreign Exchange in Bangladesh

Foreign Exchange Regulations applicable for enterprise and developers operating in Economic Zones (EZs) in Bangladesh

1. Introduction : By an Act of Parliament, namely ‘The Bangladesh Economic Zones Act, 2010 (Act No. 42 of 2010), attached herewith, Economic Zones (EZ) will be established in all potential areas including backward and underdeveloped regions under the auspicious and supervision of the Bangladesh Economic Zones Authority (BEZA). The broad features relating to the operations of the industrial enterprises in the zones will be contained in the ‘Principles and Procedures governing setting up of industries in Economic Zones’ to be issued by BEZA.

2. Division of an economic zone into several areas: As per the said Act, any economic zone may be divided into the following areas :

- (a) **Export Processing Area-** Specified for export oriented industries;
- (b) **Domestic Processing Area-** Specified for industries to be established to meet the demand of the domestic market;
- (c) **Commercial Area-** Specified for business organizations, banks, warehouses, offices or any other organization;
- (d) **Non-processing Area-** Specified for residence, health, education, amusement etc.

3. Foreign Exchange Transactions by the Entities in EZs

Foreign exchange regulations applicable for persons resident in Bangladesh shall be applicable equally for the entities in EZs also, if not otherwise directed by Bangladesh Bank. The summary of these regulations are enumerated in Guidelines for Foreign Exchange Transactions (GFET) (Vol.- 1 and 2) published by Bangladesh Bank (BB), Foreign Exchange Circulars and Circular Letters issued/published by Bangladesh Bank (BB) from time to time in its website. However, based on the division of economic zone areas, the exchange regulations may be categorized under the following two broad heads:

A. Foreign exchange regulations for the units located in ‘Export Processing Areas (EPAs) of EZs.

B. Foreign exchange regulations for the entities of EZs other than as mentioned in 'A' above. Besides, developers of the EZs including those of with foreign investment (owned wholly or partly by foreign individuals/institutions) will fall under this category in terms of applicable foreign exchange regulations.

4. Foreign exchange regulations for the units located in 'EPAs of EZs :

For foreign exchange regulation purpose, the units located in the EPAs of EZs shall be categorized as follows:

- (a) **Type A:** 100 percent foreign owned including those owned by Bangladeshi nationals ordinarily resident abroad;
- (b) **Type B:** Joint venture projects between foreign and Bangladesh entrepreneurs resident in Bangladesh;
- (c) **Type C:** 100 percent Bangladeshi entrepreneurs resident in Bangladesh.

(I) Exports from EPAs of EZs : Exports from EPAs of EZs (including sales to Bangladesh like within the same EZ, in other EZs, in EPZs, other areas of Bangladesh) are subject to the usual requirement of declaration of exports in 'EXP' Form and repatriation of export proceeds mentioned in Chapter 8 of the GFET 2009 (Vol-1) and related FE Circular/Circular Letters issued thereafter. For identification, EXP Forms for these exports should be rubber stamped or over printed with words "EXPORT FROM EZ" in bold letters. Proceeds from such exports by entities of different types shall be retained and used through foreign currency accounts as mentioned in Section V, Chapter 13, GFET (Vol-1). Besides, equity from foreign shareholders and loan received in foreign currency from authorized sources may be credited in such foreign currency accounts of Type A and Type B units of EZs as above. Exporters of such areas may maintain Taka accounts in the same manner as mentioned in Section V of Chapter 13.

(II) Sale of Bangladeshi goods or raw materials or nonphysical contents to EZ enterprises : Sales of Bangladeshi goods or raw materials or nonphysical contents to units located in the EPAs of EZs against payment in foreign currency shall be treated as exports from Bangladesh in accordance with Foreign Exchange Regulation Act 1947 (as amended upto Sep 09, 2015). Therefore, normal foreign exchange regulations concerning declaration of exports on EXP Forms in case of export in physical form and repatriation of proceeds is applicable to these exports to the units of EPAs of EZs.

(III) Import by units of EPAs : For import by the units of EPAs of EZs, ADs shall abide by the instructions as mentioned in Para 20, Section -II, Chapter 16, GFET, 2009 (Vol-1). For reporting, usual **IMP Form** reporting procedures will, however, be applicable for imports (including admissible imports from Bangladesh or EPZs or other areas of EZ) by EZ enterprises (EPAs and other areas) from abroad.

(IV) Credit Facilities : For obtaining credit facilities by the units of EZs in EPAs, instructions mentioned in

Section -II, Chapter 16 of GFET, 2009 (Vol-1) shall be applicable. However, for obtaining medium and long term debt from abroad/ OBU, borrowing approval applications shall have to be submitted to Bangladesh Bank through BEZA following the procedures as mentioned in FEID Circular Letter No. 03, dated May 06, 2014.

(V) Contribution of shareholders in Type B Units : In case of contribution of shareholders in Type B Units , relevant instructions as mentioned in Para 21, Section-II, Chapter 16 GFET, 2009 (Vol-1) shall be applicable.

(VI) Import by type C units of EZs : In case of type C units of EZs in EPAs , if foreign currency balance is not sufficient to cover the cost of machinery and equipment to be imported from abroad, the shortfall may be made up, with prior Bangladesh Bank approval, by conversion of Taka into foreign currency .

(VII) Repatriation of dividend to non-resident Shareholders of Type A and B units of EPAs of EZs:

ADs/(including OBUs in case of Type A units) may remit dividends favoring non-resident shareholders of **Type A and B units of EPAs of EZs** without prior permission of Bangladesh Bank following the procedures mentioned in Para 31, Chapter 10, GFET (Vol-1). Besides, before effecting such remittances, instructions/regulations of BEZA (if any) are to be complied on meticulously.

(VIII) Repatriation of investment/capital by non-resident share holders

Subject to adherence to the instructions of BEZA, Guidelines for effecting remittance of sales proceeds of non-residents' investment in Bangladesh will be similar as mentioned in Para 3, Chapter 9, GFET (Vol-1) and FE Circular 32 , dated August 31, 2014.

5. Foreign Exchange Regulations for the entities of EZs outside EPAs including developers of EZs.

Foreign exchange regulations for the entities of EZs (other than the entities situated in EPAs of the EZs) will be similar with those of situated outside EPZs and EPAs of EZs. Locally owned/controlled zone developers and industrial units in EZs will have to follow the similar exchange regulations like the entities outside EZs and EPZs. Likewise, foreign owned or foreign controlled entities/zone developers of EZs will follow the similar exchange regulations which are applicable for similar entities (foreign owned or foreign controlled) outside EZs and EPZs. However, the BEZA shall make arrangement to facilitate the foreign owned/controlled industrial units and zone developers in respect of concerned issues which may include issuing permission for repatriation of capital and dividends, royalties and technical fees, etc. Foreign exchange regulations for foreign investment in Bangladesh are enumerated in different chapters of the said Guidelines and FE Circulars/Circular Letters issued by Bangladesh Bank from time to time. Such regulations (for foreign investment) shall also be applicable for investment in EZs.

(I) Foreign investment in Bangladesh : In case issuance of share in favour of non-residents, transfer of Bangladeshi shares and securities, opening Taka account, remittance of sales proceeds of non-residents'

investment in Bangladesh, etc. relevant instructions of Chapter 9 of GFET, 2009 (Vol-1) shall be applicable as well.

(II) Repatriation of profit /Dividend abroad:

Procedures for remittance of profit/dividend favoring non-resident shareholders shall be similar with units of EPAs as mentioned in Para 4(VII) of this circular.

(III) Borrowing locally (in local currency) and borrowing from abroad: For borrowing locally (in local currency) by the foreign controlled companies, instructions mentioned in Chapter 16, GFET, 2009(Vol.-1) shall be applicable for units in EZs. For borrowing from abroad by the foreign controlled companies, instructions mentioned in Chapter 15 of GFET, 2009(Vol.-1) shall be applicable. Besides, foreign owned/controlled industrial enterprises in Bangladesh may access to interest free loans for working capital other than input procurements from parent companies/shareholders abroad for upto one year without any prior approval of Bangladesh Bank.

6. Working in EZs by foreign nationals: Foreign nationals working in EZs (with valid work permit issued by BEZA) are allowed to remit through an AD 75% of net salary, 100% of leave salary and actual savings and pension benefits without prior Bangladesh Bank approval [Chapter 11, GFET, 2009 (Vol-1) and FE Circular No 06, 15/04/2013]. Such foreign nationals working/residing in Bangladesh may open and maintain foreign currency accounts in Bangladesh with inward remittance received from abroad. Balances of such accounts are freely remittable abroad [Chapter 13, GFET, 2009 (Vol-1)].

7. Reporting : Investment in EZs shall have to be reported to BB as per instructions mentioned in Para 2, Chapter 9, GFET (Vol-1) and Para 26, Chapter 02 GFET (Vol-2). Besides, all foreign exchange transactions of EZ units are to be reported through online foreign exchange transaction reporting platform of Foreign Exchange Operation Department, BB. Such transactions are also be reported in monthly returns to BB in relevant statements and schedules, etc.

ADs are advised to provide necessary support to the investors of EZs. For any clarification, General Manager, Foreign Exchange Policy Department, BB may be contacted at gm.fepd@bb.org.bd, fepd.femp1@bb.org.bd.

This FE Circular is issued under the authority of Section 20(3) of the Foreign Exchange Regulation Act 1947 (Act VII of 1947, amended upto Sep 09, 2015). Please bring the contents of the circular to all concerned.

Yours faithfully,



(Jagannath Chandra Ghosh)
Deputy General Manger
Phone : 9530092

রেজিস্টার্ড নং ডি এ-১

বাংলাদেশ



গেজেট

অতিরিক্ত সংখ্যা
কর্তৃপক্ষ কর্তৃক প্রকাশিত

রবিবার, জুলাই ৮, ২০১২

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
আইন, বিচার ও সংসদ বিষয়ক মন্ত্রণালয়
লেজিসলেটিভ ও সংসদ বিষয়ক বিভাগ

প্রজ্ঞাপন

তারিখ, ২১ জুন ২০১২ ইং

নং ০৯ (আঃম)(লেঃস)(মুঃপ্রঃ)-আইন-অনুবাদ-২০১২—সরকারি কার্যবিধিমালা, ১৯৯৬ এর প্রথম তফসিল (বিভিন্ন মন্ত্রণালয় এবং বিভাগের মধ্যে কার্যবণ্টন) এর আইটেম ৩০ এর ক্রমিক ৭ ও ১০ এবং মন্ত্রিপরিষদ বিভাগের বিগত ৩-৭-২০০০ ইং তারিখের সভায় গৃহীত সিদ্ধান্ত বাস্তবায়নের নিমিত্ত The Bangladesh Economic Zones Act, 2010 (Act No. 42 of 2010) এর ইংরেজী অনুবাদ সর্বসাধারণের জ্ঞাতার্থে প্রকাশ করিল।

মোঃ দেলোয়ার হোসেন
সহকারী সচিব (চঃ দাঃ)।

(১১৭৬১৩)
মূল্য : টাকা ২০.০০

The Bangladesh Economic Zones Act, 2010

Act No. 42 of 2010

[1st August 2010]

An act to make provisions for the establishment of economic zones in all potential areas including backward and underdeveloped regions and development, operation, management and control thereof including the matters ancillary thereto with a view to encouraging rapid economic development through increase and diversification of industry, employment, production and export.

WHEREAS it is expedient and necessary to make provisions for the establishment of economic zones in all potential areas including backward and underdeveloped regions and development, operation, management and control thereof including the matters ancillary thereto with a view to encouraging rapid economic development through increase and diversification of industry, employment, production and export.

THEREFORE, it is hereby enacted as follows :—

1. **Short title and commencement.**—(1) This Act may be called the Bangladesh Economic Zones Act, 2010.

(2) It shall come into force at once.

2. **Definitions.**—In this Act, unless there is anything repugnant in the subject or context,—

(1) “**Economic zone**” means any economic zone declared by the Government under section 5;

(2) “**Economic zone developer**” means any economic zone developer appointed under section 8;

(3) “**Authority**” means the Authority established under section 17;

(4) “**Governing Board**” means the Governing Board of the Authority;

(5) “**Chairman**” means the Chairman of the Governing Board;

(6) “**Executive Board**” means the Executive Board of the Authority;

(7) “**Executive Chairman**” means the Chairman of the Executive Board;

(8) “**Prescribed**” means prescribed by rules made under this Act, and until such rules are made by the orders published in the official Gazette by the Government;

(9) “**Regulation**” means regulations made under this Act;

(10) “**Rules**” means rules made under this Act;

(11) “**Secretary**” means the Secretary of the Authority.

3. **Act to override other laws.**—Notwithstanding anything contained in any other law for the time being in force, the provisions of this act shall prevail.

4. **Establishment of economic zones.**—For the purposes of this Act, the government may, with a view to encouraging rapid economic development in potential areas including backward and underdeveloped regions of the country through increase and diversification of industry, employment, production and export and to implement the social and economic commitments of the State, establish any of the following categories of economic zones, such as :—

(a) Economic Zones established through public and private partnership by local or foreign individuals, body or organizations;

(b) Private Economic Zones established individually or jointly by local, non-resident Bangladeshis or foreign investors, body, business organizations or groups;

(c) Government Economic Zones established and owned by the Government;

(d) Special Economic Zones established privately or by public-private partnership or by the Government initiative, for the establishment of any kind of specialized industry or commercial organization.

5. **Site selection and declaration of economic zones.**—(1) For the purposes of this Act, the Government may, by notification in the official Gazette, select any specific land area as an economic zone and declare it as an economic zone.

(2) The Schedule of Gazette notification issued under sub-section (1) shall contain specific description of the land declared as an economic zone.

(3) Notwithstanding anything contained in sub-section (1), for the purposes of this Act, no economic zone shall be declared on any land within City Corporation, Municipality or Cantonment Board area.

6. **Acquisition of land for economic zones.**—(1) For the purposes of this Act, the Government may, acquire any land under the Acquisition and Requisition of Immovable Property Ordinance, 1982 (Ordinance No. II of 1982) if required for an economic zone or for infrastructure thereof such as roads, bridges etc.

(2) For the disposal of any other matters including the compensation of the land acquired under sub-section (1), the provisions of the Ordinance mentioned in sub-section (1) shall apply.

(3) The land acquired under this section shall be deemed to required for public interest.

7. **Division of an economic zone into several areas.**—(1) The Authority may, issue necessary orders to prepare a master plan for the land connected with any economic zone dividing it into the following areas :—

- (a) **Export Processing Area** : Specified for export-oriented industries;
- (b) **Domestic Processing Area** : Specified for industries to be established to meet the demand of the domestic market;
- (c) **Commercial Area**: Specified for business organizations, banks, warehouses, offices or any other organization;
- (d) **Non-Processing Area**: Specified for residence, health, education amusements, etc.

(2) Any economic zone master plan prepared on the basis of the order issued under sub-section (1) shall be submitted to the Authority for approval, and, if it is approved by the Authority, the divided areas under such plan shall be the specified part of that zone.

8. **Appointment of economic zone developers.**— For the purposes of this Act, the Authority may appoint economic zone developers in such manner as may be prescribed.

9. **Category, etc. of industrial and commercial organizations to be established in the economic zone.**—The Authority may, from time to time, determine the category of industrial and commercial organizations established in an economic zone with a view to providing with benefits.

10. **Special tariff benefits for economic zones.**—Notwithstanding anything contained in any other law for the time being in force, the Government may by notification in the official Gazette, provide with tariff benefits to the

economic zone or any area of it, for a specific period, and, in accordance with the provisions of the Customs Act, 1969 (Act No. IV of 1969), introduce special arrangement to facilitate import and export operations of the organizations established in the economic zone.

11. **Financial benefits, etc.**—(1) The Government shall provide with such kind of financial incentives and benefits to the industrial units within the economic zones as is provided to the industrial units under Bangladesh Export Processing Zones Authority Act, 1980 (Act No. XXXVI of 1980) and Bangladesh Private Export Processing Zones Act, 1996 (Act No. XX of 1996).

(2) The Government may, by notification in the official Gazette, arrange for special incentives to the exporters outside the economic zone.

12. **Other benefits.**—The Authority shall—

- (a) make arrangements to facilitate the economic zone developers and industrial units in respect of legal documents which include permission for economic zone site selection, declaration of economic zones, clearances, certificates, certificate of origin, permit for repatriation of capital and dividends, resident and non-resident visas, work permits, construction permits etc. through a one-stop service; and
- (b) subject to the provision of section 16, make arrangements to allot or lease plots suitable for setting up industries on complete commercial basis.

13. **Power to exempt from application of certain laws.**—The Government may, by notification in the official Gazette, exempt a zone or any organization thereof from the application of all or any of the provisions of all or any of the following Acts, or may pass order that the acts or any provision thereof shall, in its application to a zone, be subject to such modification or amendments as may be specified therein, namely :—

- (a) Municipal Taxation Act, 1881 (Act No. XI of 1881);
- (b) Explosives Act, 1884 (Act No. IV of 1884);
- (c) Stamp Act, 1899 (Act No. II of 1899);
- (d) Electricity Act, 1910 (Act No. IX of 1910);
- (e) Boilers Act, 1923 (Act No. V. of 1923);
- (f) Foreign Exchange Regulation Act, 1947 (Act No. VII of 1947);
- (g) Income Tax Ordinance, 1984 (Ordinance No. XXXVI of 1984);

- (h) Building Construction Act, 1952 (E.B. Act No. II of 1953);
- (i) Land Development Tax Ordinance, 1976 (Ordinance No. XLII of 1976);
- (j) Local Government (Union Parishad) Act, 2009 (Act No. LXI of 2009);
- (k) Fire Prevention and Extinction Act, 2003 (Act No. VII of 2003);
- (l) Value Added Tax Act, 1991 (Act No. XXII of 1991);
- (m) Bangladesh Labour Act, 2006 (Act No. XLII of 2006);
- (n) Local Government (City Corporation) Act, 2009 (Act No. LX of 2009);
- (o) Local Government (Municipalities) Act, 2009 (Act No. LVIII of 2009);
- (p) Any other Act, prescribed by the Government by notifications in the official Gazette.

14. Permission to conduct banking activities in an economic zone.—The Authority may subject to the approval of Bangladesh Bank, allow banking activities by any bank in any economic zone.

15. Establishment of industries in an economic zone.—Except the sectors identified as reserved industries in the existing industrial policy of the Government, establishment of any sector such as agricultural farms, service-oriented organizations etc. including small and cottage industry may be set up in the economic zones established under this act.

16. Allotment of land, etc.—When an individual is permitted to establish an industry or commercial organization in an economic zone under section 15, the Authority shall, on such conditions as determined by it, allot him any land, building or site within the economic zone, or shall lease the same by rent or otherwise.

17. Establishment of the Authority.—(1) As soon as may be after the commencement of this Act, the Government, for the purposes of this Act, by notification in the official Gazette, shall establish an Authority to be called the Bangladesh Economic Zones Authority for the purposes of this Act.

(2) The Authority shall be a body corporate having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and shall by the said name sue and be sued.

(3) Until the Authority is established under sub-section (1), the Government may, for the time being, assign any of the organizations under its control, the responsibility for performing its activities as the Authority.

18. Head office of the Authority, etc.—The Head office of the Authority shall be located in Dhaka and if necessary, the Authority may, with the prior approval of the Government, establish branch offices at any place in Bangladesh.

19. Duties and functions of the Authority.—The general duties and functions of the Authority shall be as follows, namely:—

- (1) to identify and select sites for industrial or similar sectors on availability of local resources including infrastructure, roads and communications, travel and banking facilities and skilled manpower for ensuring efficient utilization of land in the light of clustering principles;
- (2) to acquire land for economic zones identified by own initiative or public-private partnership and take possession of the acquired land on behalf of the Government;
- (3) to appoint economic zone developer on competitive basis to develop and manage the acquired land and different type of infrastructure thereof;
- (4) to prepare infrastructure development plans of economic zones for implementation and management of own establishment and submit it to the Governing Board for approval;
- (5) to allot or lease or rent of land, building or site, on competitive-commercial basis in prescribed manner, to investors applied for establishing industrial units, businesses and service providers in economic zones for implementation and management of their establishment;
- (6) to ensure infrastructure development of economic zones within specified period through monitoring of activities of its own and of economic zone developers;
- (7) to create opportunities for employment through establishing backward linkage industries within or outside economic zones by promoting local and foreign investment including development of skilled labour force;

- (8) to ensure efficient use of land in the light of clustering principles by dividing the land based on infrastructure and on availability of local resources to provide a conducive environment and facilities within economic zones;
- (9) to encourage more efficient management and monitor programmers for implementing commitments on environment and other matters;
- (10) to take steps to establish backward linkage industries in economic zones to meet the requirements of local economy;
- (11) to encourage business organizations to relocate polluting and unplanned industries from metropolitan cities through establishing separate economic zones for different industries;
- (12) to encourage public-private partnership in the development and operation of economic zones;
- (13) to take necessary steps to implement social and economic commitments;
- (14) to establish the due rights of workers, to ensure their welfare and to establish conducive relationships between owners and workers;
- (15) to take appropriate steps to implement poverty reduction programmes;
- (16) to expedite implementation of industrial policy of the country by promoting planned industrialization of the thrust manufacturing and service sectors; and
- (17) to convert the areas declared as economic zones into economic centers by developing industrial cities, agro-based industrial zones, trade zones and tourism zones through investment of banking sectors and to facilitate availability of skilled labour and efficient service provisions.

20. Operation etc. of the Authority.—(1) The operation and administration of the Authority shall vest in an Executive Board and the Executive Board may, subject to the provisions of sub-section (2), exercise all powers and perform all functions as may be exercised and performed by the Authority.

(2) The Executive Board in discharging its duties or performing its functions shall follow the orders, directives and guidelines given by the Governing Board from time to time and the Executive Board shall in the exercise of its powers and performing its functions, be accountable to the Governing Board.

21. Governing Board.—(1) For the purposes of this Act, and subject to the provisions of sub-section (2), there shall be a Board to be called the Governing Board consist of the following members, namely:—

- (a) the Prime Minister or a member nominated by the Prime Minister, who is a Minister, and he shall also be the Chairman of the Governing Board;
- (b) the Ministers/State Ministers of the Ministries or Divisions of Industries, Commerce, Finance, Planning, Science and Information and Communication Technology, Power, Energy and Mineral Resources, Communications, Labour and Employment, Environment and Forests, ex officio;
- (c) the Principal Secretary to the Prime Minister, ex officio;
- (d) the Governor, Bangladesh Bank, ex officio;
- (e) the Executive Chairman, Board of Investment, ex officio;
- (f) the Secretaries of the Ministries/Divisions of Industries, Commerce, Finance, Planning, Agriculture, Labour and Employment, Posts and Telecommunications, Science and Information and Communication Technology, Foreign Affairs, Energy and Mineral Resources, Power, Home, Shipping, Environment and Forests and the Prime Minister's Office, and the Chairman, National Board of Revenue, ex officio;
- (g) the President, Federation of Bangladesh Chambers of Commerce and Industries (FBCCI), ex officio;
- (h) the representatives of the Chambers of Commerce and Industry of the districts relevant to economic zones, to be nominated by the Government;
- (i) two women entrepreneurs to be nominated by the Government;
- (j) the President of the Specialized Chamber of Commerce and Industry;
- (k) the Executive Chairman, ex officio, who shall also be its Secretary.

(2) Persons mentioned in clause (j) of sub-section (1) shall be the member of Governing Board by rotation in such manner as may be prescribed.

(3) The Government may, by a notification in the official Gazette, at any time, co-opt any person as a member of the Governing Board for the purposes and the period as mentioned in the Gazette notification.

22. Functions of the Governing Board, policy implementation, etc.—

The functions of the Governing Board shall be as follows:—

- (a) to formulate policy regarding development, operation, management and control of economic zones;
- (b) to monitor the activities of initiating companies engaged for operation, administration, management and control of economic zones;
- (c) to approve proposals for establishing economic zones;
- (d) to review the overall activities of the Executive Board and the affairs of the economic zones from time to time; and
- (e) to give necessary orders or directions to the Authority to ensure efficient management of the Authority and economic zones.

(2) If any Ministry or Division is concerned in the implementation of any decision taken by the Governing Board under sub-section (1), the Bangladesh Economic Zones Authority shall, subject to the approval of the concerned Ministry or Division, implement it.

(3) The Authority shall, by notification in the official Gazette, publish the policies formulated, permit given, licenses granted or orders or directions issued by the Governing Board under sub-section (1).

(4) If any notification is issued under sub-section (3), the policies, permit, licenses and orders or directions mentioned in the notification shall be implemented by the concerned Ministries or Divisions or Authority on priority basis.

23. Meetings of the Governing Board.—(1) Subject to the other provisions of this section, the Governing Board shall determine the procedure of its meetings.

(2) The Executive Chairman, in consultation with the Chairman, shall convene the meetings of the Governing Board and such meetings shall be held at such time and place as may be determined by the Chairman of the Governing Board.

(3) The Chairman shall preside over all meetings of the Governing Board and in his absence, a member authorized by the Chairman, who is a Minister, shall preside over the meetings.

(4) The Governing Board may invite any person capable of specially contributing to any agenda to its meetings, and such invitee may participate in the discussion of the meeting.

24. Executive Board.—(1) The Authority shall have an Executive Board and such Board shall consist of a Chairman and three members.

(2) The Chairman of the Executive Board shall be known as the Executive Chairman, and he shall be the chief executive of the Authority.

(3) The Executive Chairman and the members of the Executive Board shall be appointed by the Government and they shall discharge their duties in accordance with the conditions prescribed by the Government.

(4) If a vacancy occurs in the office of the Executive Chairman or if he is unable to discharge the functions of his office on account of his absence, illness or any other cause, the Government shall make such arrangement for discharging the functions of the Executive Chairman as it may consider expedient.

(5) No act or proceedings of the Executive Board shall be invalid or be called in question merely on the ground of any vacancy in the office of the Executive Chairman or member or any defect in the constitution of the Executive Board.

25. Meetings of the Executive Board.—(1) Subject to the other provisions of this section, the Executive Board shall determine the procedure of its meetings.

(2) The Secretary, in consultation with the Executive Chairman, shall convene the meetings of the Executive Board.

(3) All meetings of the Executive Board shall be held at the Head Office of the Authority.

(4) The Executive Chairman shall preside over all meetings of the Executive Board and in his absence, the senior most of the members shall preside over the meeting.

26. Appointment of Secretary, officers, staff etc.—(1) The Authority may for the efficient performance of its functions, appoint such number of officers and staff, consultants, specialists and auditors including the Secretary as are required according to the organogram approved by the Government.

(2) The appointment and the terms and conditions of services of the Secretary, officers and staff, consultants, specialists and auditors of the Authority shall be determined by regulations.

(3) All officers and staff of the Authority including the Secretary shall subject to the provisions of this Act, and the rules and regulations made there under discharge their duties under the overall control and supervision of the Executive Chairman.

27. **Committees.**—The Authority may form necessary committees consisting of the Chairman or members or any officers of the Executive Board or any other persons in order to assist in performing its functions and the duties and functions of such committees shall be determined by the Authority.

28. **Suspension or cancellation of permit in certain cases.**—(1) The Authority may at any time suspend or cancel the permit issued to an Economic zone developer, if the Economic zone developer—

- (a) is unable to discharge his duties and functions in accordance with this Act or rules; or
- (b) fails to comply with the instruction of the Governing Board properly in accordance with this Act; or
- (c) violates the conditions of the permit; or
- (d) fails to discharge the duties and obligations imposed in the permit efficiently due to financial constraints.

(2) The procedure for suspension or cancellation of permit issued to Zone Developers under sub-section (1) shall be prescribed by rules.

29. **Ability to borrow.**—For the Purpose of this Act, the Authority may, subject to the approval of the Government borrow money from any bank or financial institutions or any other sources.

30. **Funds of the Authority**—(1) For the Purposes of this Act, the Authority shall have a fund to be called the Bangladesh Economic Zone Authority Fund to which shall be credited the following, namely :—

- (a) grants and loans received from the Government;
- (b) loans from any other sources approved by the Government;
- (c) income received from land allotted for establishment of industries and business units in the economic zones;

- (d) rent from building leased for industries and commercial establishment in economic zones;
- (e) various fees and service charges for any service provided;
- (f) profits received through public-private partnership;
- (g) fees and service charges received from private organizations; and
- (h) money received from any other sources.

(2) The fund to the Authority shall be deposited at any scheduled bank and such fund shall be operated in such manner as may be prescribed by regulations.

(3) The fund of the Authority shall be used to meet the expenditure in connection with the functions of the Economic Zone Authority under this Act.

(4) After adjustment of the expenses in the respective fiscal year, the balance of it, if any, shall be deposited in the fund of the Authority.

31. **Budget.**—The Authority shall, by such date and from in each year as may be fixed by the Government, submit to the Government for approval a budget for each financial year, showing the estimated receipt and expenditure and the sum which are likely to be required from the government during that financial year.

32. **Accounts and audit.**—(1) The accounts of the Authority shall be maintained in such manner as may be prescribed by the Government.

(2) Without prejudice to the provisions of the Comptroller and Auditor-General (Additional Functions) Act, 1974 (Act, No. XXIV of 1974), the accounts of the Authority shall be audited by an auditor who is a Chartered Accountant within the meaning of the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973) and the Authority, with the prior approval of the Governing Board, appoint the auditor and pay him such remuneration as may be prescribed.

(3) The auditor appointed under sub-section (2) shall examine the annual balance sheet including the accounts and vouchers relating thereto and the list of various books of accounts provided by the Authority.

(4) For the purposes of this section, the auditor shall at reasonable times have access to the books, accounts and other documents of the Authority and in relation to such accounts examine any member of the Governing Board or Executive Board or its any officer or staff including the Secretary.

(5) The auditor shall submit a written report to the Government on the accounts audited by him, and the following matters shall be mentioned in the report—

- (a) whether, in the opinion of the auditor, the different books of accounts were maintained in an appropriate manner.
- (b) whether there were accurate reflections of the activities of the Authority in those books of accounts.
- (c) whether such information or explanations were provided as required by the auditor in any case; and
- (d) whether those were satisfactory.

(6) Notwithstanding anything contained in other provisions of this section, the Government may—

- (a) give direction to the auditors requiring them to report to it upon the measures taken by the Authority for protection of interest of the Government and of the creditors, or upon the adequacy of the procedure in auditing the accounts of the Authority,
- (b) at any time, extend the scope of the audit;
- (c) direct that a different procedure in audit be adopted or that any other examination be made by the auditors if in its opinion, the public interest so requires.

33. Compliance to laws connected with environment, etc.—For the purposes of this Act, the Authority, economic zone developers, industrial units established in economic zones, financial and business institutions shall be bound to comply with international commitments recognized by the Government of Bangladesh including compliance to all the existing laws on environment and environmental protection.

34. Applicability of laws on Workers Welfare Association and Industrial Relations.—The provisions of the existing laws on EPZ Workers Welfare Association and industrial Relations shall, with necessary modification, be applicable to the workers of the Special Economic Zones established under this Act.

35. Annual reports, etc.—(1) The Authority shall, submit to the Government, as soon as possible after the end of every financial year, a report on the conduct of its affairs for that financial year.

(2) The Authority shall furnish the following matters to the Government, within a period specified by the Government, namely :—

- (a) the returns, accounts, statements, estimates, and statistics required by the Government;
- (b) information and comments on any specific matter required by the Government;
- (c) various papers and documents for examination or other reasons required by the Government.

36. Specification of courts for civil cases, etc.—(1) The Government may, in consultation with the Supreme Court and by notification in the official Gazette, specify one or more courts for the trial of civil cases arising from the economic zones.

(2) No case under this Act shall be tried in any other court except the courts specified under sub-section (1).

(3) Any party aggrieved by any decision given by a court specified under sub-section (1), may within 60 (sixty) days from the date of the decision, prefer an appeal against such decision in the High Court Division.

37. Special rights of the Authority.—The Authority shall have the following special rights, namely :—

- (a) if any company, industry or commercial organization in an economic zone owe to the Authority and remain unpaid, the owners, directors or the Board of Directors of the company, industry or commercial organization shall be liable in accordance with the agreement to pay such dues from their personal assets; and for the failure of payment thereof, the Authority shall reserve the right to take action against the owners, directors or Board of Directors of such company, industry or commercial organization;
- (b) if any worker, employee, executive or management official of a company, industry or commercial organization in an economic zone is involved in or instigates any action that leads to labour unrest, strikes, or lockout in the industry or commercial organization, the Authority may order the relevant commercial organization to shut down its operations for a specified period including dismissal of the relevant worker, employee, executive or management official, and, for that, the Authority shall not be responsible to compensate and loss incurred;

- (c) if any industry or commercial organization in an economic zone fails to pay any outstanding dues, other dues and debts of the Authority, the Authority may seize unilaterally the machineries, equipments raw materials or other goods of that organization and upon evaluation thereof at the rate of the Department of the Public Works, allocate that to any other industry or commercial organization.

38. Power to make rules.—For the purposes of this Act, the Government may, by notification in the official Gazette, make rules.

39. Power to make regulations.—For the purposes of this Act, the Authority may, by notification in the official Gazette, make regulations not inconsistent with the provisions of this Act and rules made there under, with the prior approval of the Government.

40. Removal of difficulties.—If any difficulty arises in giving effect to the provisions of this Act, the Government may, by order published in the official Gazette, take necessary measure for the purpose of removing such difficulties.

41. Original and English Text.—The original text of this Act shall be in Bangla, and the Government shall, by notification in the official Gazette, publish an Authentic English Text of an authorized translation of it in English:

Provided that in the event of conflict between the Bangla and the English Text, the Bangla Text shall prevail.

