

**Withholding tax and VAT Rates**  
(Updated till 20 July 2016)

SI #	Particulars	TDS (as per ITO 1984)			Remarks	VDS (as per VAT Act 1991)			Remarks										
		Ref. Sections	2016	2015		Service Code	2016	2015											
1	Deduction at source from salaries	50	average of the rate	average of the rate		N/A	N/A	N/A											
2	Deduction at source from interest or profit on securities	51	5%	5%	In 2016, treasury bond and treasury bill issued by the Government have been excluded.	N/A	N/A	N/A											
3	Deduction from payment to contractors/Suppliers	52, Rule 16	<table border="1"> <tr><td>Up to 20 lac</td><td>3%</td></tr> <tr><td>20 lac to 1 crore</td><td>4%</td></tr> <tr><td>1 - 5 crore</td><td>5%</td></tr> <tr><td>5-10 crore</td><td>6%</td></tr> <tr><td>Above 10 croe</td><td>7%</td></tr> </table>	Up to 20 lac	3%	20 lac to 1 crore	4%	1 - 5 crore	5%	5-10 crore	6%	Above 10 croe	7%	<p>Up to 2 lac @ Nil &gt; 2 to 5 lac@ 1% &gt;5 to 15 lac@2.5% &gt;15 to 25 lac@3.5% &gt; 25 to 3 crore@4% &gt;3 crore @ 5%</p> <p><b>In case of Oil supplied by:</b> *Oil marketing co (upto) 2 lac is nil and exceeding 2 lac TDS rate is 0.60% *Dealer or agent of the oil marketing company is 1%. *In case of the oil refinery company @ 3% *Gas transmission or distribution is 3%</p>	<p>TDS is applicable on Payment made by a specified person to a resident on account of (a) execution of a contract, other than a contract for providing or rendering a service mentioned in any other section of Ordinance; (b) supply of goods; (c) manufacture, process or conversion; (d) printing, packaging or binding;</p> <p><b>Contract<sup>i</sup></b> <b>Base amount<sup>ii</sup></b> <b>Payments<sup>iii</sup></b></p>	S 037.00 (procurement provider)	5%	4%	
			Up to 20 lac	3%															
			20 lac to 1 crore	4%															
			1 - 5 crore	5%															
			5-10 crore	6%															
Above 10 croe	7%																		
S 004.00 (construction agencies)	6%	5.5%																	
S 024.00 (furniture business)	Manuf level@6%	Manuf level@6%																	
	Marketing level@4%	Marketing level@4%																	
S 031.00 (Repairing and servicing)	15%	15%																	
4	Deduction at source from fees for professional or technical services	52A	<table border="1"> <tr><th>Description</th><th>Rate</th></tr> <tr><td>Upto 25 lac</td><td>10%</td></tr> <tr><td>Above 25 lakh</td><td>12%</td></tr> </table>	Description	Rate	Upto 25 lac	10%	Above 25 lakh	12%	10%		S 032.00 or S 034.00 or S 045.00 S050.10	15%	15%					
Description	Rate																		
Upto 25 lac	10%																		
Above 25 lakh	12%																		

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5	Deduction from the payment of certain services:	52AA	Rates							
			Upto 25 lakh	Above 25 lakh						
	Advisory or consultancy service		10%	12%	10%	Without submitting ETIN by the respective suppliers, 50% more deduction shall have to be made	S 032.00	15%	15%	
	Professional service, technical services fee, or technical assistance fee		10%	12%			S 032.00	15%	15%	
	Catering service: (a) on commission (b) on gross amount	Do	10% 1.5%	12% 2%	10%		S 002.00	15%	15%	
	Cleaning service: (a) commission; or (b) gross receipts	Do	10% 1.5%	12% 2%	10% or 1.5%		S 065.00	15%	15%	
	Collection and recovery agency- (a) commission; or (b) gross receipts	Do	10% 1.5%	12% 2%	10% or 1.5%		S 099.20	15%	15%	
	Credit rating agency	Do	10%	12%	10%		S 099.60	15%	15%	
	Event management- (a) commission; or (b) gross receipts	Do	10% 1.5%	12% 2%	10% or 1.5%		S 071.00	5%	15%	
	Indenting commission	Do	6%	8%	7.5%		S 014.00	15%	15%	
	Meeting fees, training fees or honorarium	Do	10%	12%	10%		N/A	N/A	N/A	
	Mobile network operator, technical support service provider or service delivery agents engaged in mobile banking operations		10%	12%			N/A*	N/A	N/A	

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	Motor garage or workshop	Do	6%	8%	5%	S 003.10	10%	7.5%	
	Printing service	<b>52</b>	<b>Slabs</b>		3%	S 008.10	15%	15%	
	Private container port or dockyard service	52AA	6%	8%	5%	S 003.20	10%	7.5%	
	Private security service provider- (a) commission; or (b) gross receipts	Do	10% 1.5%	12% 2%	10% or 1.5%	S 040.00	15%	15%	
	Product processing charge	52A	10%	12%	10%	S 099.20	15%	15%	
	Shipping agency commission	Do	6%	8%	5%	S 035.00	N/A*	N/A*	
	Stevedoring/berth operation commission		10%	12%	10%	N/A	N/A	N/A	
	Supply of manpower- (a) commission; or (b) gross receipts	Do	10% 1.5%	12% 2%	10% or 1.5%	S 072.00	15%	15%	
	Transport provider	Do	3%	4%	3%	S 048.00	*4.5% or **10%	2.25 or 7.5%	*Petroleum **others
	Any other service which is not mentioned elsewhere of the Ordinance 1984	Do	10%	12%	10%	S 099.20 (others)	15%	15%	
					S 099.30 (Sponsorship)	7.5%			
					S 052.00 (Sound and lighting system)	15%			
					S 058.00 (Rent the Chartered plane)				

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		Ref. Sections	2016			2015	Service Code	2016		2015
	Collection Of Tax From Clearing And Forwarding Agents.	52AAA	10%	10%			N/A*	N/A*		
	Collection of tax from Cigarette manufacturers	52B	10%				N/A*	N/A*		
	Deduction at source from compensation against acquisition of property.-	52C	a. 2% city corporation, paurashava or cantonment board b.1% other areas	a. 2% city corporation, paurashava or cantonment board b. 1% other areas			N/A	N/A	It's not clear who and when VAT to be deducted	
	Deduction at source from interest on saving instruments	52D	5%	5%	Tax exempted income (i.e PF, GF) shall not be exempted from deduction, except- * pensioners' savings certificate does exceed five lakh taka. *Wage earners development bond, US dollar premium bond, US dollar investment bond, Euro premium bond, Euro investment bond, Pound sterling investment bond, pound sterling investment bond or Pound sterling premium bond.		N/A	N/A		
	Deduction at source from payment to a beneficiary of workers' participation fund	52DD	5%	No			N/A	N/A		
	Collection of tax from brick manufacturers	52F.	(a) 45k for one section brick field; (b) 70k for one and	(a) 45k for one section brick field;			N/A*	N/A*		

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		Ref. Sections	2016	2015		Service Code	2016	2015	
			half section brick field; (c) 90k for two section brick field; (d) 150k for brick field producing bricks through automatic machine.	(b) 70k for one and half section brick field; (c) 90k for two section brick field; (d) 150k for brick field producing bricks through automatic machine.					
	Deduction from the commission of letter of credit.-	52I	5%	5%	On commission		N/A*	N/A*	
5	Collection of tax from travel agent (on total net sales)	52JJ	0.3% and (A/B)x C on incentive	0.3%	A= bonus, B= commission C= TDS on commission	S 016.00	N/A*	N/A*	
	Collection of tax by City Corporation or Paurashava at the time of renewal of trade license	52K	(a) 500 in Dhaka or Chittagong City Corporation; (b) 300 in other city corporation; (c) 300 in any paurashava at any district headquarter; (d) 100 in any other paurashava.				N/A*	N/A*	
6	Collection of tax from freight forward agency commission.	52M	15%	15%		S 015.10	N/A*	N/A*	
	Collection of tax on account of rental power	52N	6%	6%					
7	Deduction of tax for services from	52P	5%	5%	Base amount includes foods, rent, services etc	S 017.00		N/A*	

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		Ref. Sections	2016	2015		Service Code	2016	2015	
	convention hall, conference centre, etc								
	Deduction of tax from resident for any income in connection with any service provided to any foreign person.	52Q	10%	10%					
	Deduction of tax from receipts in respect of international phone call	52R	1.5% on receipts 7.5% on payments	1% on receipts 5% on payments		S 099.20	15%	15%	
	Collection of tax from manufacturer of soft drink etc.	52S	4%	4%		N/A*	N/A*	N/A*	
	Deduction of tax from any payment in excess of premium paid on life insurance policy	52T	5%	5%	No deduction of tax shall be made in case of death of such policy holder.	N/A	N/A	N/A	
	Deduction from payment on account of local letter of credit.	52U	3% on the total proceeds exceeding five lakh taka.	3% on the total proceeds exceeding five lakh taka.	No tax shall be deducted under this section in respect of purchase or procurement of rice, wheat, potato, onion, garlic, peas, chickpeas, lentils, ginger, turmeric, dried chillies, pulses, maize, coarse flour, flour, salt, edible oil, sugar, black pepper, cinnamon, cardamom, clove, date, cassia leaf[, computer or computer accessories, jute, cotton, yarn and all kinds of fruits.	N/A*	N/A*	N/A*	
	Deduction from payment by cellular mobile phone operator.-	52V	10%	10%		N/A*	N/A*	N/A*	
	Collection of tax from importers	53, Rule17A	(a) 5% on the value of the imported goods (b) and clause(c); (b) 2% on the value of the imported goods in the case of	(a) 5% on the value of the imported goods (b) and clause(c); (b) 2% on the value of the	*Details specified in the Rule 17A *Any amount collected under section shall be deemed to be an advance payment of tax by the importer concerned, and shall be given credit for, in the assessment of his tax.	N/A*	N/A*	N/A*	

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		Ref. Sections	2016	2015		Service Code	2016	2015	
			import of goods specified	imported goods in the case of import of goods specified					
8	Office Rent	53A	5%	5%		S074.00	15%*	9.00%	*As it is excluded from the truncated base
	Collection of tax from shipping business of a resident.-	53AA	5%	5%	Provided that tax shall be collected at the rate of three per cent of total freight received or receivable from services rendered between two or more foreign countries.				
	Deduction of tax from income derived on account of export of manpower.	53B, Rule 17C	10%	10%					
	Collection of tax from export of certain items.-	53BB	1%	0.80%					
	Collection of tax from Member of Stock Exchanges	53BBB	0.10%	0.10%					
	Collection of tax from export of any goods except certain items	53BBBB	1%	0.80%					
	Collection of tax on sale price of goods or property sold by public auction	53C, Rule 17D	5%	5%	*Tax shall be collected from the auction purchaser. *Plot of land shall not be included in this regard	S 060.00	4%	4%	VAT shall be levied on the buyer
						S 009.00 (Auction	15%	15%	VAT to be paid on the

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		Ref. Sections	2016	2015		Service Code	2016	2015	
						agency)			
	Deduction or collection of tax at source from courier business of a non-resident	53CCC	15%	No	Any person being a company working as local agent of a non-resident courier company shall deduct or collect tax in advance for service charge accrued from the shipment of goods, documents, parcels or any other things outside Bangladesh.	S 028.00	15%	15%	commission value of the auction agency. *For all courier service; *Its not clear who will deduct VAT and when?
9	Deduction from payment to actors, actresses, producers, etc	53D	10%	10%		N/A		N/A	
	Deduction of tax at source from export cash subsidy	53DDD	3%	3%					
10	Deduction or collection at source from commission, discount or fees	53E	5% on the amount equal to B x C	10%	B= the selling price of the company to the distributor or the other person; C= 12%	S 099.20		15%	
	Deduction of tax from commission or remuneration paid to agent of foreign buyer	53EE	10%	10%			N/A	N/A	
	Deduction at source from interest on saving deposits and fixed deposits, etc.	53F	10% with ETIN 15% without ETIN	10% with ETIN 15% without ETIN	The funds exempted from tax also shall not be exempted from deduction!				



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	Collection of tax from persons engaged in real estate or land development business	53FF	(a) Building or residential purposes	Rates	(a) Building or residential purposes	Rates	S 010.00 (land development companies)	3%	3%	VAT shall be collected by the real estate or developers
			(i) Gulshan Model Town, Banani, Baridhara, Motijeel Commercial Area and Dilkusha Commercial Area of Dhaka	1,600 /Sm	(i) Gulshan Model Town, Banani, Baridhara, Motijeel Commercial Area and Dilkusha Commercial Area of Dhaka	1,600 /Sm	S 010.20  (Building construction companies)	i. upto 1-1100 sft @ 1.5% ii. upto 1101-1600 sft @ 2.5% iii. exceeding above @ 4.5%	i. upto 1-1100 sft @ 1.5% ii. upto 1101-1600 sft @ 2.5% iii. exceeding above @ 4.5%	
			(ii) Dhanmondi Residential Area, Defense Officers Housing Society (DOHS), Mahakhali, Lalmatia Housing Society, Uttara Model Town, Bashundhara Residential Area, Dhaka Cantonment Area, Karwan Bazar Commercial Area of Dhaka and Panchlaish Residential Area, Khulshi Residential Area, Agrabad and Nasirabad of Chittagong	1,500 /Sm	(ii) Dhanmondi Residential Area, Defense Officers Housing Society (DOHS), Mahakhali, Lalmatia Housing Society, Uttara Model Town, Bashundhara Residential Area, Dhaka Cantonment Area, Karwan Bazar Commercial Area of Dhaka and Panchlaish	1,500 /Sm				

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		Ref. Sections	2016		2015		Service Code	2016	2015	
			A(iii) Areas other than above in the city corporation of Dhaka & Ctg	1000 /Sm		Residential Area, Khulshi Residential Area, Agrabad and Nasirabad of Chittagong				
			B(iii) Areas other than above	300 /Sm		(iii) Areas other than above	600 /Sm			
			<b>(aa) Building not for the residential purposes</b>			<b>(aa) Building not for the residential purposes</b>				
			In case of (i) of (a)	6,500 /Sm		In case of (i) of (a)	6,500 /Sm			
			In case of (ii) of (a)	5,000 /Sm		In case of (ii) of (a)	5,000 /Sm			
			In case of A(iii) of (a)	3,500 /Sm		In case of (iii) of (a)	1,600 /Sm			
			In case of B(iii) of (a)	1,200 /Sm		<b>(b) in case of land</b>				
			<b>(b) in case of land</b>			(i) Dhaka, Gazipur, Narayanganj, Munshiganj, Manikganj, Narsingdi and Chittagong districts	5%			
			(i) Dhaka, Gazipur, Narayanganj, Munshiganj, Manikganj, Narsingdi and Chittagong	5%						

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		Ref. Sections	2016			2015		Service Code		2016	2015				
			districts			(ii) For any other district	3%								
			(ii) For any other district	3%											
	Deduction at source from insurance commission	53G	5%	5%											
	Deduction at source from fees, etc. of surveyors of general insurance company.	53GG	15%	15%	Fees for conducting any survey regarding settlement of claim of an insurance	S 020.00	15%	15%	VAT shall be applicable for any sort of surveys						
	Collection of tax on transfer, etc. of property	53H, Rule 17II	<b>(a) Rate of tax for land or land &amp; building located in the following commercial areas:</b> <table border="1"> <thead> <tr> <th>SN</th> <th>Name of the commercial area or areas</th> <th>Rate/katha (1.65 decimal)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Gulshan, Banani.</td> <td>4% of the deed</td> </tr> </tbody> </table>		SN	Name of the commercial area or areas	Rate/katha (1.65 decimal)	1.	Gulshan, Banani.	4% of the deed	<i>* Provided that where any structure, building, flat, apartment or floor space is situated on the land, an additional tax shall be paid at the rate of taka 600/- (six hundred) per square meter or four</i>				
SN	Name of the commercial area or areas	Rate/katha (1.65 decimal)													
1.	Gulshan, Banani.	4% of the deed													

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			Motijheel, Dilkhusha, North South Road, Motijheel Expansion areas and Mohakhali of Dhaka	value or 10,80,000/- whichever is higher	<i>per cent of the deed value of such structure, building, flat, apartment or floor space, whichever is higher.</i>				
			2. Karwan Bazar of Dhaka	4% of the deed value or taka 6,00,000/- whichever is higher					
			3. Agrabad and CDA Avenue of Chittagong	4% of the deed value or taka 3,60,000/- whichever is higher					
			4. Narayanganj, Banga Bandhu Avenue, Badda, Sayedabad, Postogola and Gandaria of Dhaka	4% of the deed value or taka 3,60,000/- whichever is higher					
			5. Uttara Sonargaon Janapath, Shahbag, Panthapath, Banglamotor, Kakrail of Dhaka	4% of the deed value or taka 6,00,000/- whichever is higher					
			6. Nababpur and Fulbaria of Dhaka	4% of the deed value or taka 3,00,000/- whichever is higher:					
			<b>(b) Rate of tax for land or land &amp; building located in the following areas:</b>						
			<b>SN</b>	<b>Name of the area or areas</b>	<b>Rate/katha (1.65 decimal)</b>				
			1.	Uttara (Sector 1-9), Khilgaon rehabilitation area (beside 100 feet road), Azimpur, Rajarbagh rehabilitation area (beside bishwa road). Baridhara DOHS.	4% of the deed value or taka 90,000/- whichever is higher				

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			Bashundhara (Block: A-G), Niketon of Dhaka, Agrabad, Halishohar, Panchlaish, Nasirabad, Mehedibag of Chittagong						
			2. Gulshan, Banani and Baridhara of Dhaka	4% of the deed value or taka 3,00,000/- whichever is higher					
			3. Dhanmondi of Dhaka	4% of the deed value or taka 2,40,000/- whichever is higher					
			4. Kakrail, Segunbagicha, Bijoy Nagar, Eskaton, Green Road, Elephant Road, Fakirapool, Arambagh, Maghbazar (within one hundred feet of main road), Tejgaon Industrial Area, Sher-e-Banglanagar Administrative Area, Agargaon Administrative Area, Lalmatia, Mohakhali DOHS, Cantonment of Dhaka and Khulshi of Chittagong	4% of the deed value or taka 1,80,000/- ever is higher					
			5. Kakrail, Segunbagicha, Bijoy Nagar, Eskaton, Green Road, Elephant Road area (outside one hundred feet of main road) of Dhaka	4% of the deed value or taka 1,20,000/- whichever is higher					
			6. Green Road (from Road 3 to 8 of Dhanmondi Residential Area of	4% of the deed value or taka 2,40,000/-					

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			Dhaka)	whichever is higher					
			7. Uttara (Sector 10 to 14), Nikunj (south), Nikunj (North), Badda Rehabilitation Area, Ganderia Rehabilitation Area, Syampur Rehabilitation Area, IG Bagan Rehabilitation Area, Tongi Industrial Area of Dhaka	4% of the deed value or taka 60,000/- whichever is higher					
			8. Syampur Industrial Area, Postagola Industrial Area and Jurain Industrial Area of Dhaka	4% of the deed value or taka 48,000/- whichever is higher					
			9. Khilgaon Rehabilitation Area (beside less than 100 feet road), Rajarbagh Rehabilitation Area (beside 40 feet and other internal road) of Dhaka	4% of the deed value or taka					
			10. Goran (beside 40 feet road) and Hajaribagh Tannery Area of Dhaka	4% of the deed value or taka 30,000/- whichever is higher:					
			<b>(c) Rate of tax for land or land &amp; building located in the following areas:</b>						
			<b><u>Name of the area or areas</u></b>	<b><u>Rate of tax</u></b>					
			1. Within the jurisdiction of Rajdhani Unnayan Kartripakya (RAJUK) and Chittagong Development Authority (CDA) except areas specified in schedule (a) and (b)	4% of deed value					
			2. Within the jurisdiction of Gazipur, Narayanganj.	3% of deed value					

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			Munshiganj, Manikganj, Narsingdi, Dhaka and Chittagong districts [excluding Rajdhani Unnayan Kartripakya (RAJUK) and Chittagong Development Authority (CDA)], and within any City Corporation (excluding Dhaka South City Corporation and Dhaka North City Corporation) and Cantonment Board						
			3. Areas within the jurisdiction of a paurasabha of any district headquarter	3% of deed value					
			4. Areas of any other Pauroshova	2% of deed value					
			5. Any other area not specified in schedule (a), (b) and (c)	1% of deed value.					
	Collection of tax from lease of property	53HH	4%	4%	"Any authority" shall mean Rajdhani Unnayan Kartripakkha (RAJUK), Chittagong Development Authority (CDA), Rajshahi Development Authority (RDA), Khulna Development Authority (KDA) or National Housing Authority.	S 033.00 NO	15%	15%	
	Deduction at source from interest on deposit of Post Office Savings Bank Account.-	53I	10%	10%	Nothing contained in this section shall apply to such payee or class of payees as the Board may, by a general or special order, specify in the behalf.				
	Deduction at source from rental value of vacant land or plant or machinery.	53J	5%	5%		S 021.00	15%	No	





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12	Deduction from income of non-residents:	56							
	Accounting or tax consultancy	Do		20%	Where the Board, on an application made in this behalf, gives a certificate that, to the best of its belief, the non-resident will not be liable to pay any tax under this Ordinance, or will be liable to pay tax at a rate less than the maximum rat, payment preferred to in sub-section (1) shall be made without any deduction, or, as the case may be, with deduction at the lesser rate specified in the certificate	There is no specific service Code for the imported services.		VAT to be paid by the importers @ 15% while making payments to any non-residents (overseas exporters). (ref. sec 3 & 6 of VAT Act 1991)	
	Advertisement making	Do	15%	15%					
	Advertisement broadcasting	Do	20%	20%					
	Advisory or consultancy service	Do	20%	20%					
	Air transport or water transport	Do	7.5%	7.5%					
	Certification, rating	Do	20%	30%					
	Contractor, sub-contractor or supplier	Do	7.5%	5%					
	Interest, royalty or commission	Do	20%	20%					
	Legal service	Do	20%	20%					
	Machinery rent	Do		15%					
	Management or event management	Do	20%	20%					
	Pre-shipment inspection service	Do	20%	30%					
	Professional service, technical services fee, technical knowhow fee or technical assistance fee	Do	20%	20%					
	Architecture, interior design or landscape design, fashion design or process design		20%						
	Charge or rent for satellite, airtime or frequency, rent for		20%						

**Withholding tax and VAT Rates**  
(Updated till 20 July 2016)

SI #	Particulars	TDS (as per ITO 1984)			Remarks	VDS (as per VAT Act 1991)			Remarks
		Ref. Sections	2016	2015		Service Code	2016	2015	
	channel broadcast								
	Salary or remuneration	Do	30%	30%					
	Commission		20%						
	Capital gain		15%						
	Insurance premium		10%						
	Rental of machinery, equipment etc.		15%						
	Dividend- (a) company— (b) any other person, not being a company		20% 30%						
	Artist, singer or player		30%						
	Exploration or drilling in petroleum operations, Survey for oil or gas exploration or Any service for making connectivity between oil or gas field and its export point		5.25%						
	Any payments against any services not mentioned above		20%						
	Any other payments	Do	30%	30%					

**Notes:**

1. Services of Airlines are exempt from VAT (2<sup>nd</sup> Schedule - VAT Act), but they have to make deduction of VAT at source in the applicable cases;
2. These are not all line items from which Tax and VAT to be deducted; however, these are the main items from which an airline shall have to deduct tax and VAT at the time of making any payment to the aforementioned lines;
3. \*N/A does not mean that the said services are VAT exempted, rather exempted from the provision of deduction at source;
4. \*\*2.25% is applicable only for petroleum products, and for transporting any other goods applicable VAT is 7.5%; and
5. N/A means the line items are not subject to VAT.

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<sup>i</sup> "contract" includes a sub-contract, any subsequent contract, an agreement or an arrangement, whether written or not

<sup>ii</sup> "base amount" means the higher of the (i) contract value; or (ii) bill or invoice amount; or (iii) payment;

<sup>iii</sup> "Payment" includes a transfer, a credit or an adjustment of payment.