

## **Indemnity Bond Release**

According to the National Board of Revenue (NBR) SRO, you may enjoy tax exemption on capital machineries. For instance, **100 percent export oriented industries** enjoy full tax exemption on import duty or any other tax is payable on imported capital machinery. However, the government keeps a bond depending on the value of the imported capital machinery on non-judicial stamp that you need to install your capital machinery within 1 year of import and export at-least 80 percent products produced by the installed capital machinery. Also, you cannot transfer your imported capital machinery to third parties after a tax exemption bond is signed. If an exporter is unable to do so, he will be paying full taxes against the capital machinery.

LFMEAB issues a recommendation letter for its member factories to release the indemnity bond once the following documents are submitted:

- Commercial Invoice
- Packing List
- Bill of Lading
- LC Copy
- BOE/Shipping Bill
- Indemnity
- Machine Installation Certificate
- **Proceed Realization Certificate (PRC)** for the last 3 years
- TT Certificate

**Issuing time:** 2-3 business days.

**Cost:** BDT. 2000/=