



## Foreign Investment and Business set up

Bangladesh is the 2nd largest garments manufacturer of the world, hence it attracts huge foreign investments in this sector. Foreign Investors who have already invested in Bangladesh are investing in other business sectors. There are other emerging sectors where Foreign Investments is rapidly increasing e.g. construction engineering, power & energy, agriculture, IT, leather etc. To cater the need of Foreign Investors for setting up companies, branch office, liaison office and also to help them in securing employment visa (E-VISA), investor's visa (PI VISA), business visa (B-VISA), work permit etc., legal assistance is often required. Legal support is also required for setting up business in export processing zones and Economic Zones. Due to considerable political stability in recent years and initiative of government in improving power generation, introducing one stop service etc., new investment particularly in new sectors like LPG, LNG terminals, sea ports, dam & embankment, bridges are also increasing etc.

We have a separate Investment Department and a dedicated and efficient Investment & Business Setup Team responsible for catering the need of the clients. We have wide range of expertise when it comes to setting up business. We act as a one stop service provider & first point of contact for clients. We advise clients on possible options available based on the nature of business & other relevant criteria. Once decision is made, we assist client in setting up irrespective of whether it is within specialized zone or any other part of Bangladesh. Our lawyers have excellent field level expertise of working in the related office for nearly 12 years and also desk based ability to prepare all documentary works. We provide high speed and expert service in this area. We have long experience of catering need of the clients from almost all Continents hence language and local knowledge is not a barrier.



*Mr. Rahman with respected client, Mr. Stephen Christen, a US and German origin foreign investor in Toy industry Bangladesh in an event organized by Rahman's Chambers.*



*Assisted the First Engineering Bureau of Henan Water Conservancy with setting up a branch office in Bangladesh.*

*"Their response times are excellent and they make you feel generally very well informed." - Chambers & Partners, 2019.*

*"Rahman's Chambers handles foreign investment and disputes involving corporate transactions, finance... The 'very responsible, responsive and knowledgeable' Mohammed Forrukh Rahman heads the firm..."*

Rahman's Chambers provides all range of services required for setting up business. It has 10 years of experience in setting up more than a dozen of companies, branch offices, liaison offices of foreign origin of investors from USA, UK, Germany, Lithuania, Russia, Indonesia, China, Hong Kong, Singapore etc. We also set up social business, NGOs, society, Cooperative society etc. Our services include obtaining all kinds of visa, security clearance, work permits, and citizenship. We do offer quick service for setting up business both within and outside Export Processing Zone. We are also working on setting up business on newly created Special Economic Zones.

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*"Rahman's Chambers is a hands-on firm, which has a pretty good understanding of the legal and environment in Bangladesh, I will qualify them, as a committed and dedicated group of lawyers, which operates their Chamber with high level of integrity, and with a devoted attitude to customer service."*

### Our Completed Project includes:

- One stop business setup service providing to Surjin Tech Co., Ltd. Client initially instructed us to conduct due diligence on a comparison of the available incentive of setting up business in EPZ, SEZ, Hi-Tech or other geographically located areas in different divisions of Bangladesh. The client also conducted due diligence on different incentive available for different business sectors, e.g., Industrial, IT, Infrastructure, etc. Finally, we are assisting the client in business setup process and acquisition of land.
- Assisted in setting up business and land due diligence for TBEA CO., LTD., one of the major Chinese manufacturer of power transformers and other electrical equipment, and a developer of transmission projects
- Assisted in business expansion by way of land acquisition for G.A.B. Limited (GILDAN), a subsidiary of one of the largest manufacturers of branded clothing
- Setting up business for Shakti Pumps (India) Ltd.
- Conducted due diligence for setting up a dredging business for Dharti Dredging & Infrastructure Limited, India.
- Conducted due diligence on setting up business for China Communications Construction Company Limited (CCCC).
- Setting up business for 100 % American outsourcing company based in Texas.
- Setting up liaison office for NEPC-1 for construction and engineering of power project from China.
- Setting up a branch office for NEPC-3 for construction and engineering of bridges etc. from China.
- Setting up liaison office for the First Engineering Bureau of Henan Water Conservancy (CHWE), China for dam and embankment construction work.
- Setting up IT companies originally from Russia and Lithuania.
- Investment related services to a major Danish Garments.
- Share transfer, exit, and repatriation of proceeds of the sale to an American shareholder in Toy sector in Chittagong.
- Opening a company, originally from UK and India in Dhaka Export Processing Zones.
- Due diligence for a Hong Kong based garments for setting up business in Special Economic Zones and EPZ in Bangladesh.
- Legal services involving JV investment in LPG terminal at Chittagong.

Further details are provided **below**:

## Legal Due Diligence

Legal due diligence is important to assess the risk associated with investment. Before major decision making, investors instruct us to carry out legal due diligence work on several aspects involving **legal risks, Tax exemption, concession of duties involving importation of capital machinery** etc. If an investor is planning to invest in an existing setup by buying shares, we conduct searches with Joint Stock of Companies and Firms (RJSC), concerned land registry, VAT and Tax office to check if any legal risk is involved. Further search is conducted to verify authenticity of documents.

The due diligence is essential in the following areas:

### Land

- Land Mutation
- Land registration
- Land revenue record
- Survey Record

### Company

- Share Transfer Record
- Change of directors' report

### Criminal Record

- Searching relevant police station
- Litigation search (limited circumstances)

### Tax Record

- Searching relevant circle and zone.
- Other search

## Permit and Consents

Client often conducts due diligence on number of permits and consent required and its time frame. The type of required permits and consent largely depends on the type of industry, business venture, its location and intended operation in Bangladesh. The Chambers provides services for all basic licenses e.g. Company registration, Liaison office permission, Branch office permission, trade license, export and import permit, membership with chamber and commerce, work permit, bank account opening, IRC, ERC, ad hoc IRC, BIDA registration, BIDA recommendation etc.

We also assist in obtaining other licenses or permit. We often do it ourselves or outsource it from our known vendors and service providers if client so desire.

## Share Purchase

Share purchase in unlisted private and public company involve several documentations works, e.g. signing Form 117, affidavits, etc. Besides, several resolutions are required in compliance with the Memorandum and Articles of association along with drafting of Share purchase Agreement. We advise clients for the entire process so that the transfer is completed smoothly. We also advised both buyer and seller in taking over of several companies. Besides, we have advised individual Shareholder in buying and selling shares. Our service includes not only assist with documentation work but also assist with actual recording and obtaining certified copy from RJSC.

## Company Formation

Either joint venture or 100% foreign owned, our experienced Investment department completes the process with ease. Small mistakes can cause substantial delay in the process, e.g. remittance advises of USD 50,000/- if quoted wrongly can lead to return of fund and reinvest. Professional legal hands are vital for company formation from drafting joint venture agreements, preparing Memorandum and Articles to obtaining certified copy of incorporation certificate. Over the last 10 years, we have formed several companies in IT, General Trading, Garments, Textiles and Power sectors both local and foreign or originated in the UK, USA, China, and other European countries.

## Opening of Liaison Office and Branch Office

Opening Liaison office requires some critical preparatory work and documentation work which requires experience. We have significant experience of getting BIDA registration for both liaison and branch office for several foreign principals. Legal documentation involves authentication of parent company's Memorandum and Articles of Association, list of directors etc. Often the authentication process is cumbersome. We try our best to make the process smooth and hustle free. In recent time we have opened several branch and liaison offices for construction and engineering companies whose principal is located in China and other neighbouring countries.

## Registration with BIDA

Industrial enterprises, opening subsidiary company are also required to register themselves with Bangladesh Investment Development Authority to avail various tax exemptions and other concession over customs duties. Commercial ventures may register if they desire. In recent times, BIDA has been automated and all registrations and related process are made online.

## Work Permit and PI (Investor)/E (Employment) Visa and Extention

Work permit is required for investors planning to become resident in Bangladesh by taking a full time position or for expatriate employee of the company, branch office, liaison office. Upon arrival in Bangladesh under two types of visa for short period, the person is required to apply for work permit with BIDA and extension from Department of Passport and Visa, subject to successful completion of security clearance. The process can be very hectic and time consuming if not handled skilfully. We assist our client to make it simple and hassle free. We often assist our client with finding commercial address required for trade license and security clearance.

### **Company Set up for Export Processing Zone (EPZ)**

Export Processing Zone is suitable for 100 % export oriented businesses whether it is fully owned, Joint Venture, etc. There are 08 (eight) EPZs within Bangladesh geographically diversified in different locations. Depending on the nature of business, availability of utilities, rental rates, transportation, availability of skilled man power, etc. client can choose suitable EPZ for investing.

Interested clients can avail our services in locating, taking lease, or transferring existing lease of land from Bangladesh Export Processing Zone Authority (BEPZA).

### **Company Set up for Special Economic Zone (SEZ)**

Economic Zone is relatively a new concept in Bangladesh. Government has planned to setup 100 economic zones in different geographical locations. However, only a handful of economic zones are currently allocating land or will do so in the near future as the land is still under development process. For example, Mirsarai Economic Zone.

Client can take our service in conducting due diligence on economic zone land & also taking lease from Bangladesh Economic Zones Authority (BEZA). We also provide services in conducting legal due diligence for lands which are adjacent to Mirsarai Economic Zone, which are ready for immediate investment.

### **Company Set up for Hi-Tech Park**

Hi-Tech industries are knowledge incentive industries where good part of value addition comes from knowledge workers. For example, Agro-Bio technology & Genetic Engineering, Automobiles & Metal Industries, Medical Supplies, Pharmaceuticals, Electronic Products, Computer & Communication Hardware & Software, IT enabled services, etc.

Although government has plan to setup a number of Hi-Tech parks in different areas, currently only one park is in a position to allocate land. Client can take our service in conducting due diligence on Hi-Tech Park land & also taking lease from Bangladesh Hi-Tech Park Authority (BHTPA).

### **B (Business) Visa**

The Foreign investors who are planning to do market research, attend meetings, etc. and willing to visit Bangladesh are invited by us. Upon our invitation, Bangladesh Mission abroad grant short time Business visa.

### **Exit and Repatriation**

Due to foreign exchange regulations and stringent guidelines from Central Banks, exit and repatriation of share value and profit is a complex work, which requires various assessments and reports. The Firm has effectively completed a deal for an American shareholder in the Toy sector in Chittagong.

## Our Related Clients:

- Surjin Tech Co., Ltd., Korea.
- TBEA CO., LTD.
- Data Path Limited, Texas, USA.
- Shakti Pumps (India) Ltd., India.
- A major Danish garments company in Dhaka, Liaison office.
- China Communications Construction Company Limited (CCCC)
- Dharti Dredging & Infrastructure Limited, India.
- Perseus Limited
- Rehmania International Ltd
- Zhongmei Engineering Group Ltd., China
- ICOMOS Bangladesh.
- Bangladesh Equipment and Mineral Company Ltd.
- B Craft Limited.
- IT Grow Division Ltd, Russia
- Water & Sanitation for the Urban Poor (WSUP), UK
- NEPC International Limited
- First Engineering Bureau of Henan Water Conservancy (CHWE)
- NRD Bangladesh Limited, Lithuania
- NEPC 1 & 3, Liaison office, China
- NEPC International Ltd
- Dong Fang Engineering Ltd.
- Uttara Foods & Feeds Pvt. Ltd.