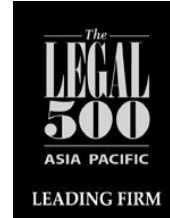




Foreign Investment and Business set up

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, seaports, 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.



Mr. Mohammed Forrukh Rahman has been ranked **(Band II)** for **Corporate & Finance**.

"Rahman's Chambers handles **foreign investment** and disputes involving corporate transactions, finance..."

"Advised Dongfang Electric with regard to the **opening of a new office branch** in Bangladesh, for the purpose of carrying out construction and engineering work"

-LEGAL500 2018

-Chambers & Partners, 2019

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

-Chambers & Partners, 2018

Chambers employs a 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 a decision is made, we assist clients in setting up irrespective of whether it is within a 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.

*"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 a high level of integrity, and with a devoted attitude to **customer service**."*



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

Please find below the video covering speech on Foreign Investment on Bangladesh by Mr. Stephen Christen, an investor, at our annual Dinner:



Link: <https://www.youtube.com/watch?v=dL0DiNlsAs>

Our Completed Projects include:

- **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
- **Assisted in setting up business and with immigration formalities** of employees 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.
- **Assisted in setting up liaison office and with immigration formalities**, i.e., E-visa recommendation, E-visa, Work Permit, Security Clearance, extension of E-visa, etc., for NEPC-1 for **construction and engineering** of power project from China.
- **Assisted in setting up a branch office and with immigration formalities** of employees for NEPC-3 for **construction and engineering of bridges** etc. from China.
- **Assisted in 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.
- We have **opened** a number of **companies limited by guarantee** for different associations/ group of people.
- We have **opened** a number of **social business companies** for local entrepreneurs.

- We have **completed immigration formalities**, e.g., E-visa recommendation, E-visa, Work Permit, Security Clearance, the extension of E-visa, etc. for several employees of Uttara Foods & Feeds Pvt. Ltd.
- Assisted in **setting up IT companies** originally from Russia and Lithuania.
- **Investment related services** to a major Danish Garments.
- **Assisted an investor** from the USA in **joint venture** investment in a toy company in Chittagong and completed all formalities with **RJSC**. In the same project, we have also assisted a foreign shareholder in **share valuation** and also seeking permission of Central Bank for taking the exit from the company by **selling all shares** and **repatriating** the proceeds of **sale in foreign currency**.
- **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.

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 conduct **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 an unlisted private and public company involves several documentation works, e.g. signing Form 117, affidavits, etc. Besides, several resolutions are required in compliance with the Memorandum and Articles of association along with the 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 a certified copy from RJSC

Company Formation

Either joint venture or 100% foreign owned, our experienced service 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 neighboring countries.

Registration with BIDA

Industrial enterprises, opening a subsidiary company are also required to register themselves with Bangladesh Investment Development Authority to avail various tax exemptions and other concessions 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 Extension

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 skillfully. 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 the 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. The government has planned to set up 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.

Our Client can take our service in conducting due diligence on economic zone land & also taking the 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 is ready for immediate investment

One Stop Service Act

The 'One Stop Service Act' has already been enacted and the rules for the One-Stop Service have been prepared. According to this Act, potential investors would get all other necessary permissions, including permissions of various utility services like power, gas, water and telephone from the center, for starting a business. The one-stop service center will bring down significantly the time in getting utility services.

Company Set up for Hi-Tech Park

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

Although the government has plans to set up a number of Hi-Tech parks in different areas, currently only one park is in a position to allocate land. Our Client can avail our services in conducting due diligence on Hi-Tech Park land & also taking a lease from Bangladesh Hi-Tech Park Authority (BHTPA).

B (Business) Visa

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
- Bangladesh Equipment and Mineral Company Ltd.
- 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.