



THIS IS OUR HALF YEARLY LEGAL WRITINGS KNOWN AS "LEGAL INSIGHT", A PART OF OUR LEGAL INITIATIVE. WE HAVE ANALYSED THE MAJOR EVENTS AND CHANGES IN LAWS TAKEN PLACE IN THE LAST SIX MONTHS (JULY-DECEMBER) IN BANGLADESH AND GLOBALLY HAVING AN IMPACT ON BANGLADESH. WE HAVE ORGANIZED IT UNDER NINE HEADINGS AS PER OUR NINE PRACTICE DEPARTMENTS COVERING THIRTY TWO [PRACTICE AREAS](#).

## Commercial

The commercial landscape in the second half of 2025 is defined by a "regulatory correction" aimed at preparing the economy for LDC graduation in 2026. The *Export Policy 2024-2027* has been operationalized with a strategic target of USD 110 billion in earnings, emphasizing diversification beyond RMG into sectors like processed food, leather, and ICT. Crucially, the policy acknowledges the imminent loss of duty-free market access and outlines a transition from cash incentives to WTO-compliant measures. To support this industrial shift, the Bangladesh Bank has liberalized the import regime, extending the usance period for industrial raw materials to 360 days and permitting capital machinery imports on three-year credit terms.

However, enforcement remains aggressive. The Interim Government has utilized the *Essential Commodities Act, 1956* and *Special Powers Act, 1974* to prosecute market manipulation, shifting the risk profile for traders from administrative fines to criminal liability. In the aviation sector, regulatory oversight has tightened under the *Civil Aviation (Air Navigation) Orders*. New rules mandate System-wide Information Management (SWIM) and the Globally Unique Flight Identifier (GUFI) to modernize air traffic data. Financially, airlines now face strict payment windows, with late fees of up to 6% imposed on overdue aircraft charges. Recruitment governance has also been tightened; the *Foreign Employment & Migrant Rules, 2025* now hold recruiting agents jointly liable for their sub-agents, who must be registered with the BMET and pay security deposits.

## Construction and Energy

The energy sector has undergone a structural paradigm shift with the repeal of the indemnity-laden *Quick Enhancement of Electricity and Energy Supply Act, 2010* on November 28, 2025. This signals a mandatory return to competitive bidding under the *Public Procurement Rules, 2025*, which have institutionalized the Electronic Government Procurement (e-GP) system and introduced a Debarment Review Board to blacklist non-compliant operators. The rules also introduce the Reverse Auction Method for standard goods, ensuring price transparency.

Simultaneously, the *Private Participation in Renewable Energy Policy 2025* introduces a competitive "Merchant Power Plant" (MPP) model. MPPs are now granted "Open Access" to the national grid to sell electricity directly to large consumers via Special Purpose Vehicles (SPV), dismantling the single-buyer monopoly. To foster sustainability, Renewable Energy Certificates (REC) have been introduced to trade green attributes. Infrastructure governance has been further disciplined by the *Dredging and Dredged Material Management Policy, 2025*, which prohibits suction dredgers near critical infrastructure and imposes blacklisting for up to five years for violations, reflecting a zero-tolerance approach to ecological damage.

## Corporate

The corporate sector is navigating a landmark overhaul of labour relations and financial governance. The *Bangladesh Labour (Amendment) Ordinance, 2025* significantly expands the compliance burden by redefining "worker" to include domestic workers and digital platform (gig) employees. Key changes include increasing maternity leave to **120 days**, replacing the term "Mohila" with "Nari," and lowering the trade union formation threshold to a tiered system (e.g., 20 members for small factories). The ordinance explicitly criminalizes the "Black Listing" of dismissed workers and mandates a Sexual Harassment Grievance Committee in every establishment, led by a female representative.

In the financial sector, the *Bank Resolution Ordinance, 2025* has empowered the central bank to intervene in distressed institutions without court winding-up petitions. This was exercised in the forced merger of five Shariah-based banks into *Sammilito Islami Bank PLC*, where shareholder equity was written down to zero. Insurance governance has also been tightened; amended regulations now require CEOs to have 12 years of experience and disqualify anyone holding significant shares in other insurance firms. Furthermore, IDRA's new regulations for Surveyors and Loss Assessors mandate physical inspections for non-life claims to curb fraudulent assessments.

## Dispute Resolution

The legal framework for dispute resolution is being reshaped by the country's transition toward a new constitutional order. The *Referendum Ordinance, 2025* establishes the legal mechanism for the public to vote on the **July National Charter**, which proposes a **bi-cameral parliament** and independent constitutional bodies. This clear legal roadmap is expected to stabilize the political environment, reducing the uncertainty that typically stalls commercial litigation during transition periods.

Electoral disputes—a frequent source of instability—are addressed by the *Representation of the People (Amendment) Ordinance, 2025*. The ordinance reintroduces the "No Vote" option; if "No Votes" exceed the



highest candidate's tally, the election is cancelled. It also bans Electronic Voting Machines (EVMs), mandates the disclosure of candidate assets "at home and abroad," and classifies AI-generated disinformation as a corrupt practice punishable by law. To improve criminal justice efficiency, amendments to the *Code of Criminal Procedure* have limited police remand to a maximum of 15 days and empowered Magistrates to discharge accused persons early if investigation reports are delayed. For commercial disputes, the *Commercial Court Ordinance, 2025* has operationalized specialized district courts, enforcing mandatory ADR to decongest the docket.

## Shipping

The maritime sector is modernizing its licensing regime while facing significant cost pressures. The *Shipping Agent Licensing Rules, 2025* have liberalized market entry by abolishing port-specific licenses; a single license is now valid for all sea and river ports. However, operational costs have surged following the Chittagong Port Authority's implementation of a new Tariff Schedule (S.R.O. No. 364-Law/2025) in September. Rates are now calculated in USD or BDT based on arrival dates, and a 5% daily penalty applies to sea-going vessels exceeding a 15-day port stay.

Operational liability risks have been highlighted by the Dhaka Airport cargo fire, prompting a market shift towards comprehensive warehouse-to-warehouse marine insurance. Bangladesh's ratification of ILO Conventions 187 and 190 in November 2025 imposes new statutory obligations on shipowners to insure seafarers against occupational hazards. Furthermore, the finalized PPP concession for the Laldia Container Terminal with APM Terminals signals a strategic pivot toward foreign-operated port infrastructure, supported by tax incentives.

## Taxation and Finance

The fiscal landscape has undergone a historic bifurcation with the restructuring of the National Board of Revenue (NBR) into separate Policy and Management divisions. The "Smart Customs" initiative has introduced *Pre-Arrival Processing (PAP) Rules*, shifting the compliance burden upstream by requiring cargo declarations before vessels leave foreign ports. To encourage diversification, a "Non-Bonded" Export Scheme now allows non-RMG sectors (e.g., leather, electronics) to import raw materials duty-free against bank guarantees.

Tax policy under the *Finance Ordinance, 2025* has overhauled Tax Deduction at Source (TDS) rates, introducing a differential rate of 7.5% for corporate service providers versus 15% for individuals to incentivize incorporation. A punitive 10% TDS now applies to tobacco supplies. In banking, the Bangladesh Bank has tightened discipline with mandatory 30-day notices for loan write-offs but has simultaneously reduced provisioning requirements for CMSME loans to 0.50% to stimulate credit flow.

## International

The international legal posture of Bangladesh is increasingly defined by environmental compliance and investment treaty risks. The *Sound Pollution (Control) Rules, 2025* introduce strict liability, establishing "Silent Zones" and banning heavy machinery in residential areas at night. Concurrently, the *National Forest Policy 2025* mandates digital mapping of forest lands.





On the global stage, Bangladesh faces heightened exposure to investment treaty arbitration. Recent awards such as *Mitsui v. Spain* and *Strabag v. Germany* have affirmed that retroactive removal of subsidies constitutes a breach of "Fair and Equitable Treatment" (FET). These precedents are highly relevant as Bangladesh reviews past energy contracts; any retrospective legislative changes could trigger similar multi-million dollar claims. Furthermore, Bangladesh's legal obligations regarding the *Genocide Convention* are being observed closely following interventions by Brazil and Belgium in the ICJ proceedings *South Africa v. Israel*.

## IT & IP

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The technology sector is shifting towards "Digital Sovereignty." The *National Source Code Policy, 2025* mandates a "Public Money, Public Code" principle, requiring that the IP rights of all government-funded software vest with the state and be deposited in a national repository. This is coupled with the *Cyber Security Ordinance, 2025*, which repeals the Digital Security Act but retains strict penalties for hacking.

In telecommunications, the *Licensing Policy 2025* streamlines 20+ licenses into four tiers but introduces protectionism by capping foreign equity in Access Network Service Providers at 85%, compelling fully foreign-owned operators to divest 15% within three years. The *National Equipment Identity Register (NEIR)* implementation has been deferred to early 2026 to allow a grace period for handset registration. Intellectual Property rights have been bolstered by the WIPO IP Management Clinic launch, aimed at helping local SMEs navigate the new *Patent Act*.

## Investment

The investment climate is being recalibrated to attract quality FDI while enforcing strict governance in land and capital markets. The upcoming constitutional referendum and the roadmap to a general election are viewed as critical stabilizers for investor confidence, promising a transition from executive discretion to constitutional rule of law.

**Real Estate & Land:** The *Dhaka Metropolitan Building Construction Rules, 2025* have introduced a rigorous three-stage approval process (Planning, Construction, Occupancy). New rules link Floor Area Ratio (FAR) to road width and mandate Sewage Treatment Plants (STP) for plots of 5 katha or more. Additionally, the *Balumahal and Soil Management Rules* impose blacklisting for environmental violators, while the *Detailed Area Plan (DAP)* offers incentives for surrendering land for road widening.

**Capital Markets:** To restore market discipline, the BSEC has gazetted the *Public Offer of Equity Securities Rules, 2025*, raising the minimum post-IPO paid-up capital to BDT 50 crore. New *Mutual Fund Rules* require all funds to be registered as Trusts and prohibit the formation of new closed-end schemes, compelling a shift towards transparent, open-end structures.

