

**THE BANGLADESH EXPORT PROCESSING ZONES
AUTHORITY ACT, 1980**

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**THE BANGLADESH EXPORT PROCESSING ZONES
AUTHORITY ACT, 1980**

ACT NO. XXXVI OF 1980

[26th December, 1980]

**An Act for the establishment of the Bangladesh Export
Processing Zones Authority.**

WHEREAS it is expedient to make provision for the establishment of the Bangladesh Export Processing Zones Authority for creation, development, operation, management and control of export processing zones and for matters connected therewith;

It is hereby enacted as follows:-

1. (1) This Act may be called the Bangladesh Export Processing Zones Authority Act, 1980. Short title and commencement

(2) It shall come into force on such date as the Government may, by notification in the *official Gazette*, appoint.

¹**2.** In this Act, unless there is anything repugnant in the subject or context,- Definitions

- (a) "Authority" means the Bangladesh Export Processing Zones Authority established under section 3;
- (b) "Board" means the Board of Governors of the Authority;
- (c) "Executive Board" means the Executive Board of the Authority;
- (d) "Executive Chairman" means the Executive Chairman of the Board;
- (e) "prescribed" means prescribed by rules made under this Act; and

¹ Section 2 was substituted by section 2 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

- (f) “zone” means a place or places to be specified by the Government under section 10 as an export processing zone for the purposes of setting up export-oriented industries.]

Establishment
of the Authority

3. (1) As soon as may be after the commencement of this Act, the Government shall, by notification in the *official Gazette*, establish an Authority to be called the Bangladesh Export Processing Zones Authority for carrying out the purposes of this Act.

(2) The Authority shall be a body corporate having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and shall by the said name sue and be sued.

General
direction

¹[**3A.** (1) The general direction and administration of the affairs of the Authority shall vest in the Executive Board which may, subject to sub-section (2), exercise all powers and do all acts and things as may be exercised or done by the Authority.

(2) The Executive Board, in discharging its functions, shall act in accordance with the guidance, order and instructions given by the Board of Governors of the Authority from time to time.]

Head office, etc.

4. (1) The Head office of the Authority shall be located at Chittagong.

(2) The Authority may establish its offices and branches at such places as it may deem fit.

Objects of the
Authority

²[**4A.** The objects of the Authority shall be-

- (a) to foster and generate economic development of Bangladesh by encouraging and promoting foreign investments in a Zone;

¹ Section 3A was inserted by section 3 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

² Section 4A was inserted by section 2 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1984 (Ordinance No. XLIX of 1984).

- (b) to diversify the sources of foreign exchange earnings by increasing export of Bangladesh through a Zone ¹;
- (c) to encourage and foster the establishment and development of industries and commercial enterprises in a zone in order to widen and strengthen the economic base of Bangladesh;
- (d) to generate productive employment opportunity and to upgrade labour and management skills through acquisition of advanced technology.]

²[5. (1) There shall be a Board of Governors of the Authority which ³[shall, subject to the provisions of sub-section (3), consist] of the following members, namely:- Board of Governors

- (a) Chairman;
- (b) Minister-in-charge of the Ministries or Divisions dealing with industries, commerce, finance, planning, foreign affairs, energy and ports and shipping, *ex-officio*;
- (c) Governor, Bangladesh Bank, *ex-officio*;
- (d) Secretaries of the Ministries or Divisions dealing with industries, commerce, finance, planning, foreign affairs, energy, ports and shipping and internal resources, *ex-officio*;
- (e) Chairman of the Executive Board, who shall also be the Secretary of the Board, *ex-officio*.

(2) The ⁴[Prime Minister], or a member, who is a Minister, nominated by the ⁵[Prime Minister], shall be the Chairman of the Board.

¹ The semi-colon (;) was substituted, for the full-stop (.) and thereafter clauses (c) and (d) were added by section 4 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

² Sections 5, 5A, 5B and 6 were substituted, for previous sections 5 and 6, by section 5 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

³ The words, commas, brackets and figure “shall, subject to the provisions of sub-section (3), consist” were substituted, for the words “shall consist” by section 2 of the Bangladesh Export Processing Zones Authority (Amendment) Act, 1994 (Act No. XXII of 1994).

⁴ The words “Prime Minister” were substituted, for the word “President” by section 2 of the Bangladesh Export Processing Zones Authority (Amendment) Act, 1992 (Act No. XXX of 1992).

⁵ The words “Prime Minister” were substituted, for the word “President” by section 2 of the Bangladesh Export Processing Zones Authority (Amendment) Act, 1992 (Act No. XXX of 1992).

¹[(3) The Government may, by notification in the *official Gazette*, include in the Board any person or exclude from the Board any member with approval of the Prime Minister.]

Functions of the Board

5A. (1) The Board-

- (a) shall formulate the policies for operation and management of the Authority and the zones;
- (b) shall review, from time to time, the activities and performance of the Executive Board and the zones;
- (c) may give orders or issue instructions which are deemed appropriate for the purpose of efficient management of the affairs of the Authority and the zones.

(2) The policies formulated, orders given and instruction issued by the Board shall be deemed to be the policies formulated, orders given and instructions issued by the Government and shall be followed accordingly; and they shall not require any formal approval of any Ministry or Division dealing with the matters for their implementation.

Executive Board

5B. (1) There shall be an Executive Board of the Authority consisting of a Chairman and three other members.

(2) The Chairman of the Executive Board shall be called the Executive Chairman and he shall be the Chief Executive officer of the Authority.

(3) The Executive Chairman and other members of the Executive Board shall be appointed by the Government and shall hold office on such terms and conditions as the Government may determine.

(4) If a vacancy occurs in the office of the Executive Chairman or if the Executive Chairman is unable to discharge the functions of his office on account of his absence, illness or any other cause, the Government shall make such arrangement for discharging the functions of the Executive Chairman as it may consider expedient.

¹ Sub-section (3) was added by section 2 of the Bangladesh Export Processing Zones Authority (Amendment) Act, 1994 (Act No. XXII of 1994).

(5) No act or proceedings of the Executive Board shall be invalid or be called in question merely on the ground of any vacancy in, or any defect in the constitution of, the Executive Board.

6. (1) Save as provided in this section, the Board of Meetings Governors and the Executive Board shall regulate the procedure for their meetings.

(2) All meetings of the Board of Governors shall be convened by the Secretary of the Board in consultation with its Chairman and shall be held at such times and places as may be determined by him.

(3) All meetings of the Executive Board shall be convened by the Executive Chairman and shall be held at such times and places as may be determined by him.

(4) All meetings of the Board of Governors shall be presided over by its Chairman and, in his absence, by a member of the Board, who is a Minister, authorised by the Chairman.

(5) All meetings of the Executive Board shall be presided over by its Chairman.]

¹[6A. (1) ²[The Executive Board shall, in the discharge of its functions, be aided] and advised by a Consultative Committee which shall consist of the following members:-

- (a) one member to be nominated by the Internal Resources Division from among its officers;
- (b) one member to be nominated by the Ministry of Industries from among its officers;

¹ Section 6A was inserted by section 5 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1984 (Ordinance No. XLIX of 1984).

² The words and commas “The Executive Board shall, in the discharge of its functions, be aided” were substituted, for the words and commas “The Authority shall, in the discharge of its functions, be added” by section 7 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

- (c) one member to be nominated by the Ministry of Commerce from among its officers;
- (d) one member to be nominated by the Export Promotion Bureau from among its officers;
- (e) one member to be nominated by the Finance Division from among senior bankers;
- (f) one member to be nominated by the Ministry of Industries from among prominent industrialists;
- (g) one member to be nominated by the Government from among industrialists of each Zone;
- (h) Director General, Department of Industries, or his nominee;
- (i) Division Chief (Industries), Planning Commission;
- (j) Commissioner of the Division in which a Zone is situated or his nominee;
- (k) Chairman of the Water Supply and Sewerage Authority within the area of which a Zone is situated;
- (l) Chairman of Chittagong Port Authority or Port of Chalna Authority to be nominated by the Government;
- (m) Chairman of the body, by whatever name called, responsible for the development or improvement of the urban area within which a Zone is situated;
- (n) Chairman, Bangladesh Small and Cottage Industries Corporation;
- (o) one member to be nominated by the Federation of Bangladesh Chamber of Commerce and Industries;
- (p) four members to be nominated by the Federation of Bangladesh Chamber of Commerce and Industries, one from among Presidents of Chamber of Commerce and Industry of each division;
- (q) one member to be nominated by the Authority from among the owners or shareholders of the enterprises set up in a Zone;

(r) one officer of the Authority to be nominated by it who shall also be the Secretary of the Consultative Committee; and

(s) such other members as may be nominated by the Government.

(2) The ¹[Executive Chairman] shall *ex-officio* be the Chairman of the Consultative Committee.

²[(3) The meetings of the Consultative Committee shall be convened by its Chairman and shall be held at such time and place as may be determined by him.]

(4) All meetings of the Consultative Committee shall be presided over by ³[its Chairman] or, in his absence, by a member of the ⁴[Executive Board authorised by him].

(5) To constitute a quorum at a meeting of the Consultative Committee not less than one third of the total number of its members shall be present.]

⁵[6B. (1) There shall be a committee to be called the Post Sanction Clearance Committee.

Post Sanction
Clearance
Committee

(2) The Committee shall consist of the following members, namely:-

(a) Executive Chairman, *ex-officio*, who shall also be its Chairman;

¹ The words “Executive Chairman” were substituted, for the words “Chairman of the Authority” by section 7 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

² Sub-section (3) was substituted by section 7 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

³ The words “its Chairman” were substituted, for the word “Chairman” by section 7 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

⁴ The words “Executive Board authorised by him” were substituted, for the words “Authority authorised by him in this behalf” by section 7 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

⁵ Section 6B was inserted by section 8 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

- (b) Controller of Capital Issues, *ex-officio*;
- (c) Registrar of Joint Stock Companies, *ex-officio*;
- (d) General Manager, Exchange Control Department, Bangladesh Bank, *ex-officio*;
- (e) an officer of the Authority to be nominated by it, who shall also be the Secretary of the Committee.

(3) The Committee shall assist the Executive Board in matters of registration of companies, capital issues and foreign exchange transactions in respect of, and in all other matters connected with the operational needs of, sanctioned industries in a zone.

(4) Save as provided in this section, the Committee shall regulate the procedure of its meetings:

Provided that the Committee shall meet at least once in a month.

(5) The meetings of the Committee shall be convened by its Secretary and shall be presided over by its Chairman.]

The functions of the Authority

7. The functions of the Authority shall be-

- (a) to take possession of land to be acquired or requisitioned by the Government for the purpose of creation and development of a zone;
- ¹(b) to allot land and building-spaces in a zone to investors on sale, lease or on rent and to allow them to mortgage the allotted lands for raising loan from financial institutions or commercial banks;]
- (c) to provide infrastructure facilities, including buildings, utilities and warehouses;
- ²[(d) to process applications for setting up of industries within a Zone and accord sanction in accordance with the guide lines given by the Government from time to time;]

¹ Clause (b) was substituted by section 9 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

² Clause (d) was substituted by section 6 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1984 (Ordinance No. XLIX of 1984).

- (e) to provide customs bonded facilities in accordance with customs regulations for importation into a zone of building materials for construction purposes and packaging materials, raw materials and intermediate goods for the purpose of processing for exports;
- (f) to allow import of raw-materials or semi-processed or other goods required for use in the zone and export of semi-processed, processed or other goods to be specified by the ¹[Board] in such manner as may be prescribed;
- (g) to assist in transportation of imported raw-materials and intermediate goods in bonded condition and export of finished products;
- (h) to provide necessary banking facilities within the zone in consultation with the Bangladesh Bank;
- (i) to establish liaison with the port, municipal and other authorities to make arrangement for transportation of imported raw-materials and intermediate goods on bonded condition and for export of finished products;
- (j) to sanction employment of foreign nationals in accordance with the guidelines given by the Government from time to time, to posts for which local expertise is not available for efficient running of the industries in a zone;
- ²[(jj) subject to the approval of the Government, to enter into any contract or agreement of any kind for the purposes of this Ordinance;]
- (k) to do such other acts and things as may be necessary to be done in connection with, or conducive to, the performance of the aforesaid functions.

¹ The word “Board” was substituted, for the word “Government” by section 9 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

² Clause (jj) was inserted by section 6 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1984 (Ordinance No. XLIX of 1984).

Establishment,
etc., of
warehouses

¹[7A. Notwithstanding anything contained in this Act, the Authority may, if the Government so directs, set up, maintain and manage public warehouses at any place in Bangladesh to provide customs bonded facilities in accordance with customs regulations for importation into Bangladesh of raw materials, packaging materials, semi-processed goods and accessories required for export oriented industries.]

Fund

8. (1) There shall be a fund of the Authority to which shall be credited-

- (a) grants and loans from the Government;
- (b) loans from such other sources as the Government may approve;
- (c) proceeds from the land allotted for setting up of industries in the zone;
- (d) rental of buildings leased out to the industries set up in the zone;
- (e) fees and service-charges, if any, received for services rendered;
- (f) any other sums not specified accruing to or due to the Authority from any other source.

(2) The fund of the Authority shall be used to meet expenditure in connection with the functions of the Authority under this Act.

Power to
borrow

9. The Authority may ²[* * *] borrow money for carrying out the purposes of this Act.

Power to create
zones

10. The Government may, by notification in the *official Gazette*, declare any place or places to be specified in the notification to be an Export Processing Zone for the purposes of this Act.

¹ Section 7A was inserted by section 2 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1985 (Ordinance No. XIII of 1985).

² The commas and words “, with the prior approval of the Government,” were omitted by section 7 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1984 (Ordinance No. XLIX of 1984).

11. Where any land or any interest in any land is required by the Authority for any of its purposes under this Act that land or the interest therein may be acquired by the Government under the Land Acquisition Act, 1894 (I of 1894), for the Authority and the land or interest therein so acquired shall be deemed to be required for a public purpose.

Acquisition of land for a zone

¹[**11A.** The Government may, by notification in the *official Gazette*, exempt a Zone from the operation of all or any of the provisions of all or any of the following enactments or, direct that any such enactment or any provision thereof shall, in its application to a Zone, be subject to such modifications or amendments as may be specified therein, namely:-

Power to exempt Zones from operation of certain laws

- (a) The Stamp Act, 1899 (II of 1899);
- (b) The Companies Act, 1913 (VII of 1913);
- (c) The Excises and Salt Act, 1944 (I of 1944);
- (d) The Foreign Exchange Regulation Act, 1947 (VII of 1947);
- (e) The Employment of Labour (Standing Orders) Act, 1965 (VIII of 1965);
- (f) The Industrial Relations Ordinance, 1969 (XXIII of 1969);
- (g) The Land Development Tax Ordinance, 1976 (XLII of 1976);
- (h) The Income-Tax Ordinance, 1984 (XXXVI of 1984)²;
- (i) The Municipality Taxation Act, 1881 (Ben. Act IX of 1881);
- (j) The Explosives Act, 1884 (IV of 1884);
- (k) The Electricity Act, 1910 (IX of 1910);

¹ Section 11A was inserted by section 8 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1984 (Ordinance No. XLIX of 1984).

² The semi-colon (;) was substituted, for the full-stop (.) and thereafter the entries (i) to (p) were added by section 10 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

- (l) The Boilers Act, 1923 (V of 1923);
- (m) The Building Construction Act, 1952 (E.B. Act II of 1953);
- (n) The Fire Service Ordinance, 1959 (E.P. Ord. XVII of 1959);
- (o) The Factories Act, 1965 (E.P. Act IV of 1965);
- (p) The Chittagong Municipal Corporation Ordinance, 1982 (XXV of 1982).]

Committees

¹[**11B.** In addition to the Committees constituted under this Ordinance, the Board of Governors or the Executive Board may, from time to time, appoint such other Committee or Committees as may be necessary to assist them in the discharge of their functions.]

Inclusion in, or exclusion from Committees

²[**11C.** Notwithstanding anything contained in this Act, the Government may, by order in writing, include in, or exclude from, the Consultative Committee or the Post Sanction Clearance Committee under section 6A and 6B respectively or any other Committee appointed under section 11B with the approval of the Prime Minister.]

Permission for setting up industry in the zone, etc.

12. (1) A person desiring to set up an industry in a zone shall make an application to the Authority in the prescribed form for permission in that behalf.

(2) The Authority or any person authorised by it in this behalf shall, on receipt of an application made under sub-section (1), process it in accordance with the principle to be laid down by the ³[Board] in this behalf and shall, if it is satisfied that the applicant fulfils the requirements for setting up an industry in the zone, grant him a permission in the prescribed form.

¹ Section 11B was inserted by section 11 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

² Section 11C was inserted by section 3 of the Bangladesh Export Processing Zones Authority (Amendment) Act, 1994 (Act No. XXII of 1994).

³ The word “Board” was substituted, for the word “Government” by section 12 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).

13. The Authority may, subject to such terms and conditions as it may determine, allot, or lease out on rental basis or otherwise; land and building spaces in a zone to a person who has been granted permission under section 12 to set up an industry in that zone.

Allotment of land etc., in a zone

¹[**14.** The Authority may, with the approval of the Bangladesh Bank, permit banks, *foreign and local*, to operate in a Zone and to have as their constituents persons not resident in Bangladesh and to accept deposits on current account or otherwise from such persons.]

Permission to banks to operate in a Zone

15. Notwithstanding anything contrary contained in any other law for the time being in force, there shall not, subject to such rules as may be prescribed, be leviable-

Bonded facilities, etc.

- (a) On any goods, including raw-materials, imported into a zone any customs duty, sales tax, *octroi* or excise duty or import licence or permit fee or any other charges;
- (b) On any goods exported from a zone any duty or any other charges.

16. The Authority may, with the previous approval in writing of the Government, determine, from time to time, the type or types of industries to be set up in a zone.

Types of industries to be set up in a zone, etc.

17. The Authority shall, by such date in each year as may be fixed by the Government, submit to the Government for approval a budget, in such form as the Government may specify, for each financial year, showing the estimated receipt and expenditure during that financial year.

Budget

18. (1) The accounts of the Authority shall be maintained in such manner and form as may be prescribed by the Government.

Audit and accounts

¹ Section 14 was substituted by section 9 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1984 (Ordinance No. XLIX of 1984).

(2) Without prejudice to the provisions of the Comptroller and Auditor-General (Additional Functions) Act, 1974 (XXIV of 1974), the accounts of the Authority shall be audited by an Auditor, being a chartered accountant within the meaning of the Bangladesh Chartered Accountants Order, 1973 (P.O. No. 2 of 1973), who shall be appointed by the Authority, with the prior approval of the Government, on such remuneration to be paid by the Authority as the Government may fix.

(3) The auditor appointed under sub-section (2) shall examine the annual balance sheet of the Authority together with the accounts and vouchers relating thereto and shall have a list delivered to him of all books kept by the Authority; and shall at all reasonable times have access to the books, accounts and other documents of the Authority, and may in relation to such accounts examine any member or officer of the Authority.

(4) The auditor shall report to the Government on the accounts examined by him and in his report state whether, in his opinion, the books of accounts have been properly maintained and they exhibit the true picture of the Authority's affairs, and in case he has called for any explanation or information from the Authority, whether it has been given and whether it is satisfactory.

(5) The Government, may at any time, issue direction to the auditors requiring them to report to it upon the adequacy of measures taken by the Authority for the protection of the interest of the Government and of the creditors of the Authority or upon the sufficiency of the procedure in auditing the accounts of the Authority, and may, at any time, enlarge or extend the scope of the audit or direct that a different procedure in audit be adopted or that any other examination be made by the auditors if in its opinion the public interest so requires.

Submission of reports, etc.

19. (1) The Authority shall submit to the Government, as soon as possible after the end of every financial year, a report on the conduct of its affairs for that year.

(2) The Authority shall submit to the Government at such times and at such intervals as the Government may specify-

(a) such returns, accounts, statements, estimates and statistics as may be required by the Government;

- (b) information and comments asked for by the Government on any specific subject;
- (c) copies of documents required by the Government for examination or for any other purpose.

20. The Authority may appoint such officers and other employees and engage such consultants, advisers, auditors and contractors as it may consider necessary for the efficient performance of its functions on such terms and conditions as it may deem fit.

Appointment of officers, etc.

21. [Government directions, etc.- Omitted by section 13 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).]

22. The Government may, by notification in the *official Gazette*, make rules for carrying out the purposes of this Act.

Power to make rules

23. The Authority may, with the approval of the Government, make regulations, not inconsistent with the provisions of this Act and the rules made thereunder, to provide for all matters not required to be provided for by rules and for which provision is necessary or expedient for carrying out the purposes of this Act.

Power to make regulations

¹[**24.** If any difficulty arises in giving effect to the provisions of this Ordinance, the Government may, by order, do anything which appears to it to be necessary for the purpose of removing the difficulty.]

Removal of difficulties

¹ Section 24 was added by section 14 of the Bangladesh Export Processing Zones Authority (Amendment) Ordinance, 1986 (Ordinance No. LII of 1986).