

The Invest Bangladesh Act 2026: An Overview

By Mir Muiz Mosharrof

A new law, the Invest Bangladesh Act, 2026 (Act No. 104 of 2026, dated 16 July 2026) (hereinafter the "2026 Act"), has been enacted. It came into force on 20 August 2026 under SRO No. 307-Law/2026, as recorded in the note to s.1(2) of the 2026 Act.

The 2026 Act sets up a single statutory body, the Invest Bangladesh Authority. It makes provision for investment promotion, industrial zones, public-private partnership and the transfer of government industrial or commercial enterprises. This note summarises what the Invest Bangladesh Act provides.

Repeal and Transition

Under s.66(1) of the 2026 Act, four Acts are repealed:

- the Bangladesh Economic Zones Act, 2010 ("BEZA 2010");
- the Bangladesh Public-Private Partnership Act, 2015 ("BPPA 2015");
- the Bangladesh Investment Development Authority Act, 2016 ("BIDA 2016"); and
- the One Stop Service Act, 2018.

The 2026 Act also dissolves the Bangladesh Economic Zones Authority, the Bangladesh Public Private Partnership Authority and the Bangladesh Investment Development Authority.

The property, records, liabilities, contracts, legal proceedings and staff of the previous authorities pass to the new Authority (s.66(3) of the 2026 Act). Anything done or any action taken under the repealed Acts is deemed to have been done or taken under the 2026 Act, and any activity (কার্যক্রম) under way at the time of repeal is to be completed under the 2026 Act (s.66(2) of the 2026 Act).

Rules and regulations made under three of those Acts (the BEZA 2010, the BPPA 2015 and the BIDA 2016) remain in force until new ones are made, to the extent they are consistent with the 2026 Act (provisos to ss.64(1) and 65(1) of the 2026 Act). The 2026 Act prevails over other laws in force (s.3 of the 2026 Act).

The Authority and the Governing Board

The Invest Bangladesh Authority is a statutory body with perpetual succession and a common seal (s.4(2) of the 2026 Act). It consists of a Chairman and seven members, all of whom serve full-time (s.4(3) of the 2026 Act). The Chairman is the Authority's chief executive (s.4(4) of the 2026 Act), and the Chairman and members are appointed by the Government (s.4(5) of the 2026 Act).

The functions of the Authority include approving proposals for fiscal and non-fiscal facilities and incentives for domestic and foreign investment (s.6(1)(ঝ) of the 2026 Act). They also include determining the terms of appointment and scope of work of foreign officers, experts, employees and consultants, recommending visas and granting work permits. This applies in industries, branch, liaison, representative and project offices, all types of commercial establishments including buying houses, and all other similar establishments (s.6(1)(ঙ) of the 2026 Act). The Authority further assists and advises the Government in preparing the drafts of international, regional, bilateral and multilateral investment agreements, gives no-objection and, where applicable, arranges their signing (s.6(1)(জ) of the 2026 Act). Its functions extend to industrial zones, including selecting land, allotting it, approving industrial units and appointing developers and operators. They also extend to public-private partnership projects, including giving consent, determining the process for selecting private partners and approving selected bidders (s.6 of the 2026 Act).

The 2026 Act also constitutes a Governing Board, chaired by the Prime Minister or a person nominated by the Prime Minister (s.7(1) of the 2026 Act). The Board brings together seven ministers, five senior government officials, four representatives of the private sector and the head of the Authority. The ministers are those in charge of the Ministry of Finance, the Ministry of Power, Energy and Mineral Resources, the Ministry of Foreign Affairs, the Ministry of Land, the Ministry of Industries, the Ministry of Commerce, and the Ministry of Law, Justice and Parliamentary Affairs. The officials are the Principal Secretary to the Prime Minister, the Governor of Bangladesh Bank, and the Secretaries of the Finance Division, the Ministry of Home Affairs and the Internal Resources Division. The private sector representatives are nominated by the Government, and two of them must be women. The Chairman of the Authority sits on the Board as its member-secretary (s.7(1) of the 2026 Act).

The functions of the Governing Board are set out in s.8(1) of the 2026 Act. The Board gives the Authority, as it considers appropriate, the necessary directions for the efficient management of matters relating to industrial zones, including approving proposals for establishing industrial zones and framing policy on their development, operation, management and control (s.8(1)(ক) of the 2026 Act).

It approves short, medium and long-term strategic policy and roadmaps for investment development (s.8(1)(খ) of the 2026 Act), reviews the overall activities of industrial zones and PPP projects and gives the necessary guidance (s.8(1)(গ) of the 2026 Act), and gives directions for taking the steps needed for investment development (s.8(1)(ঘ) of the 2026 Act). Where implementing a decision of the Board involves a ministry or division, the Authority implements it subject to the approval of that ministry or division (s.8(2) of the 2026 Act). The Authority also performs any function assigned to it from time to time by the Government or the Board (s.6 of the 2026 Act). Board meetings are convened by the member-secretary with the consent of the chair (s.9(3) of the 2026 Act), and at least two meetings must be held each year (s.9(1) of the 2026 Act).

What the Invest Bangladesh Act provides

Subject	Provision
Registration of industry	Every person wishing to set up industry in the private sector must apply to the Authority for registration of the proposed industrial project, in the manner stated in the guideline. Industrial or commercial establishments under an authority or body established by law are excluded. The procedure, conditions, amendment and cancellation of registration are also set by guideline (s.28(1) of the 2026 Act). Unregistered industries already established in the private sector, other than industrial establishments under an authority or body established by law, must likewise register in the manner set by guideline (s.29(1) of the 2026 Act).
Decisions on registration	When registering a project, the Authority gives clear decisions, as relevant, on matters needed for its timely implementation, and sends them to the person or authority concerned. These cover the amount and terms of foreign loans and supplier's credit, and the allotment of land in government-owned or controlled industrial areas. They also cover the time limits within which customs clearance, environment, fire, building, boiler, explosives and narcotics clearances, visas, work permits and related security clearances, utility connections, and any other licence, permit or NOC needed are to be given (s.28(4) of the 2026 Act). These decisions are treated as decisions of the Government or of the person or authority empowered by law to make them, and must be implemented accordingly (s.28(5) of the 2026 Act).
Foreign company offices	Private commercial companies registered abroad must obtain permission, in the manner determined by the Authority, to establish a branch, liaison, representative or project office in Bangladesh (s.29(2) of

	the 2026 Act). This does not apply to offices that obtained permission before the 2026 Act came into force (s.29(4) of the 2026 Act).
Royalty and technical fees	Where any royalty, technical knowledge fee, technical assistance fee or franchise fee is payable by any industrial enterprise to a foreign person or institution, the enterprise must apply to the Authority, in the manner determined by the Authority, for determination of the royalty or fee. The royalty or fee determined by the Authority is then payable by the enterprise (s.27 of the 2026 Act).
Land	Notwithstanding anything in any other law for the time being in force, land needed for establishing and developing an industrial zone, or for an industrial or commercial project outside a zone that is registered with the Authority (whether already or later on application), is deemed to be needed in the public interest. Such land may be acquired under the Acquisition and Requisition of Immovable Property Act, 2017 on the Authority's application (s.17(1) of the 2026 Act). Land acquired or allotted cannot be used for any other purpose without the Authority's prior written approval (s.17(2) of the 2026 Act). Surplus or unused land of government or state-owned industrial or commercial enterprises may be allotted without fresh acquisition. The Authority identifies the land and takes the views of the ministry or division concerned, and the allotment needs the approval of the Cabinet Committee on Economic Affairs (s.17(3) of the 2026 Act).
Customs and incentives	Notwithstanding anything in any other law, the Government may, by Gazette notification and for a specified period, give special customs facilities to industrial projects and enterprises located in industrial zones, and to those outside zones that are registered under the 2026 Act. For the same projects and enterprises, it may introduce special arrangements for import and export operations under the Customs Act, 2023 (s.21 of the 2026 Act). The Government may also, by Gazette notification, give fiscal and non-fiscal incentives and facilities to sector-based industrial projects and enterprises, investors, developers, operators and PPP projects, and special incentives and facilities to industrial projects and enterprises set up in industrial zones (s.22 of the 2026 Act).

Inspection	For the purposes of the 2026 Act, the Government, the Authority, or a person or institution appointed by either of them may inspect the implementation progress of any project. They may also enter, inspect and investigate any government or private industrial or commercial establishment, which must provide all necessary facilities (s.51(1) of the 2026 Act). If, on analysing information obtained through such an inspection or investigation or otherwise, the Authority considers reform of the establishment necessary in the public interest, it may take necessary measures and give the establishment appropriate directions (s.51(2) of the 2026 Act).
Government enterprises	The Government is to make a policy on the transfer or strategic divestiture of government industrial or commercial enterprises and their unused land or buildings, shares and title, and on their use in more suitable economic activities, with a view to increasing investment and setting up industry in the private sector. Until that policy is made, the Authority may complete such transfers or strategic sales through special or general orders issued by the Government from time to time (s.48(1) of the 2026 Act).

Points to watch

Guidelines made before the 2026 Act:

Several procedures under the 2026 Act are to be set by guideline, including the registration of industry (ss.28(1) and 29(1) of the 2026 Act). The 2026 Act defines "guideline" as a guideline made under the 2026 Act (s.2(9) of the 2026 Act), and lists guidelines separately from rules and regulations (s.2(14) of the 2026 Act). The savings provisos keep in force, until replaced, only the rules (proviso to s.64(1) of the 2026 Act) and regulations (proviso to s.65(1) of the 2026 Act) made under three of the repealed Acts: BEZA 2010, BPPA 2015 and BIDA 2016. They do not mention guidelines. Whether guidelines issued under the repealed Acts continue to apply therefore seemingly turns on s.66(2) of the 2026 Act. That provision deems anything done or any action taken under the repealed Acts to have been done or taken under the 2026 Act. The 2026 Act does not expressly say whether issuing a guideline falls within this.

Matters left to subordinate instruments:

The 2026 Act leaves several matters to instruments made under it. Guidelines are to set:

- the criteria for small-scale PPP projects (s.2(5) of the 2026 Act);
- the procedure and form for import entitlement applications (s.24(1) of the 2026 Act);
- the procedure for registering industrial projects and unregistered industry (ss.28(1) and 29(1) of the 2026 Act);

- the procedure for approving small-scale PPP projects (s.31 of the 2026 Act); and
- unsolicited PPP proposals (s.37 of the 2026 Act).

Rules are to set the terms for appointing developers and operators (s.18(1) of the 2026 Act) and matters relating to the single digital platform (s.50(4) of the 2026 Act). Until the rules are made, the Authority may issue orders.

A Government policy is to govern the transfer or strategic divestiture of government industrial or commercial enterprises (s.48(1) of the 2026 Act). Until that policy is made, the Authority may act through special or general orders issued by the Government.

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