

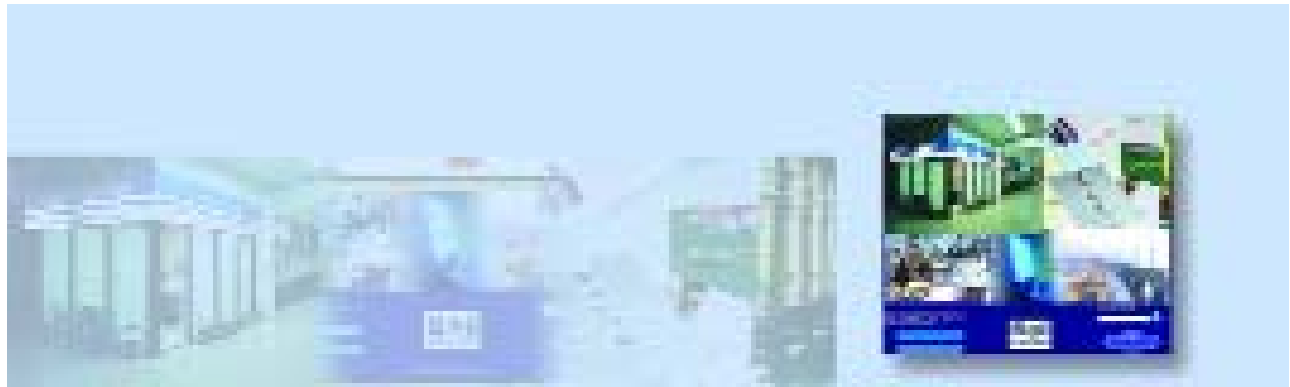
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Board of Investment Profile & Procedures

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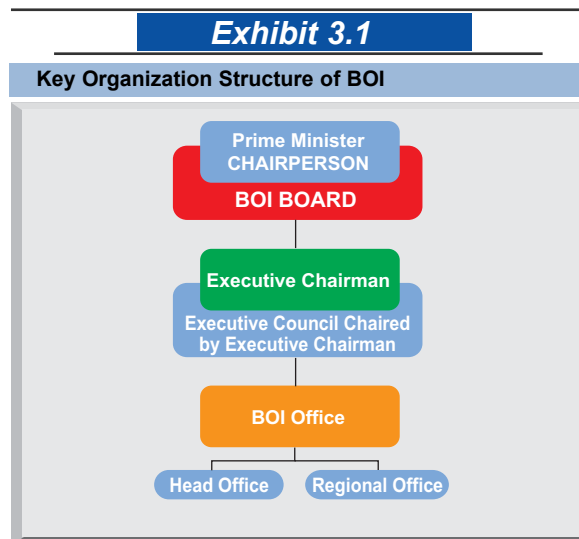


3.1 Structure & Objectives

a. Formation of BOI

Board of Investment (BOI) was established by the Investment Board Act of 1989 to promote and facilitate investment in the private sector both from domestic and overseas sources with a view to contribute to the socio-economic development of Bangladesh. It is headed by the Prime Minister. Its membership includes representatives (at the highest level) of the relevant ministries – industry, finance, planning, textiles, Jute, commerce, energy, power, as well as others, such as the Governor of Bangladesh Bank, Presidents of FBCCI and BCI (Appendix II-b).

The Operational Head and CEO of BOI is the Executive Chairman. The key organogram of BOI is depicted below:



Source : Derived from Investment Board Act 1989

b. Objectives of BOI

Broadly, the objective of BOI is to encourage and promote investment in the private sector both from domestic and overseas sources and to provide necessary facilities and assistance in the establishment of industrial setup with a view to contribute to the socio-economic development of Bangladesh.



3.2 Functions & Services

a. Functions of BOI

Broadly, BOI is responsible for facilitating private investment in the country. its functions are :

- i. Providing of all kinds of facilities in the matter of investment of local and foreign capital for the purpose of rapid industrialization in the private sector;
- ii. Implementation of the Government policy relating to the investment of capital in industries in the private sector;
- iii. Preparation of investment schedule in relation to industries in the private sector and its implementation;
- iv. Preparation of area-schedule for establishment of industries in the private sector and determination of special facilities for such areas;
- v. Approval and registration of all industrial projects in the private sector involving local and foreign capital;
- vi. Identification of investment sectors and facilities for investment in industries in the private sector and giving wide publicity thereof abroad;
- vii. Invention of specific devices for the purpose of promotion of investment in industries in the private sector and their implementation;
- viii. Creation of infrastructural facilities for industries in the private sector;
- ix. Determination of terms and conditions for employment of foreign officers, experts and other employees necessary for industries in the private sector ;
- x. Preparation of policies relating to transfer of technology and phase-wise local production in the private sector and their implementation;
- xi. Providing necessary assistance in the rehabilitation of sickly industries in the private sector;
- xii. Financing and providing assistance in the financing of important new industries in the private sector;
- xiii. Adoption of necessary measures for creation of capital for investment in industries in the private sector;
- xiv. Collection, compilation, analysis and dissemination of all kinds of industrial data and establishment of data-bank for that purpose; and
- xv. Doing such other acts and things as may be necessary for the performance of the above functions. BOI has been entrusted to give approval of foreign commercial offices.

BOI Functions are broadly categorized into three:

1. Investment promotion
2. Investment facilitation and
3. Policy advocacy



xvi Work with PICOM to foster Private Infrastructure Committee.
(For details please see page 80).

b. Services Available from BOI

To summarize, BOI services available for the investors could be categorized in three stages.

Stage 1: Pre-investment Information and Counseling

At this stage, BOI provides all sorts of information required by an investor to undertake initial investment move (also see Chapter 4). Professional Investment & Business Counselors provide cordial assistance upon visit to the BOI office, over phone, by email & fax and express mailing. It also assists in company formation and registration.

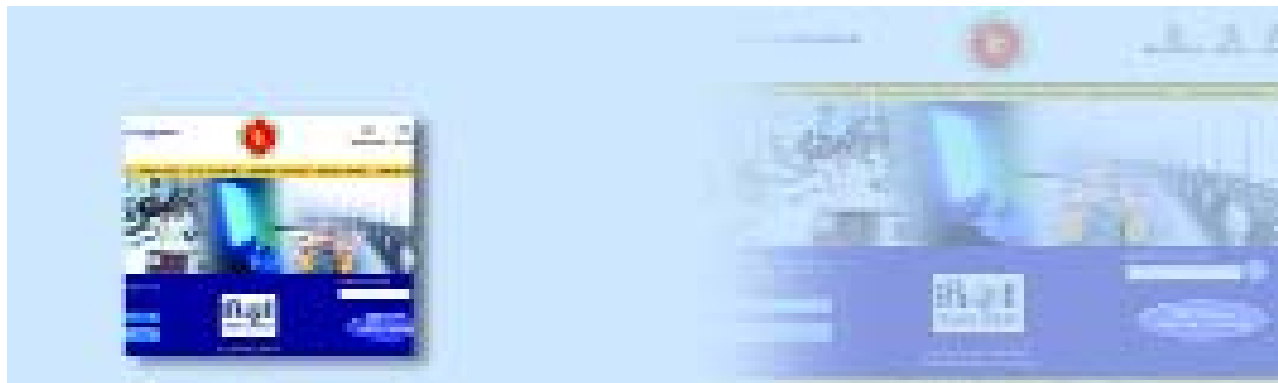
Stage 2: Special Welcome Service to Foreign Investors

BOI has Welcome Service Desk at Zia International Airport Dhaka, and Shah Amanat International Airport Chittagong, operating round-the-clock. It assists in obtaining necessary immigration and Visa on Arrival / Landing Permit, hotel accommodation and counseling arrangement.

Stage 3: Investment Implementation and Commercial Operation

Once the investor decides to invest and forms a company, BOI provides following specific facilities and comprehensive services.

- a. Industrial registration
- b. Industrial Plot
- c. Utility Connections
- d. Approve Terms & Condition of Foreign Loan, Suppliers' Credit, deferred payment PAYE Scheme etc.
- e. Recommend for Import of Machinery & Raw Materials
- f. Work Permit
- g. Remittance of Royalty, Technical Know-How and Technical Assistance Fees



3.3 Procedural Mapping: First Contacts

To avail the facilities and services provided by BOI to the investors, approaching the right Serving Desk brings efficiency in the process and interaction. Following Guide Table shows a summary of such desks by functions / services:

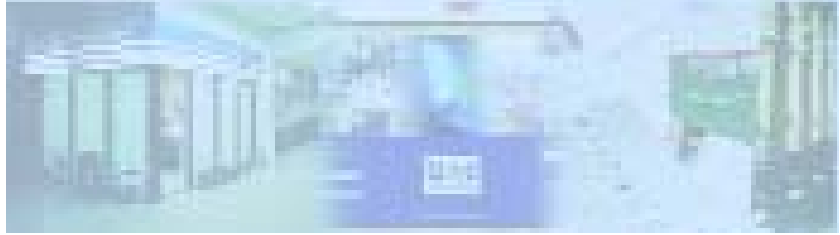
Guide Table :

To Whom to Interact at BOI		
Facilities / Services	Service Desk	First Contact
1. Pre-Investment Counseling	Investment Facilities & Services	Assistant Director
2. Welcome Service at	BOI Welcome Desk at	Assistant Director
3. Immigration & Visits	Communication	Director
4. Registration of Industries	Investment Facilities & Services	Assistant Director
5. Permission/Approval of Branch/Liaison/Representative office and Buying House	R&I - 1	Deputy Director
6. Obtaining Work Permit for foreign Nationals	R&I - 1	Director
7. Obtaining Industrial Plot	Investment Facilities & Services	Director
8. Registration/Approval for Foreign Loan, Suppliers' Credit, PAYE Scheme etc.	R&I – 1 (Bangladesh Bank Desk)	Deputy Director
9. Obtaining Utility Connections (gas, electricity, telephone, water & sewerage, environmental clearance)	Utility Service Cell	Director
10. Import of Machinery & Raw Materials		
a. 100% Foreign & Joint Venture	R&I – 1	Director
b. Local	R&I - 2	Director
11. Remittance of Royalty, Technical Know-How and Technical Assistance Fees	R&I - 1	Director
12. Policy Counseling	Policy & Planning	Member
13. Strategic Guidance	Executive Chairman	Private Secretary to Executive Chairman

In the first visit, investors are advised to have clarifications of the following issues:

- How could BOI assist him in the project implementation?
- What procedures have to be completed?
- What are the preconditions or requirements in each procedure?
- How much time would take to complete each process?

Such specific queries would remove any ambiguity therein and help in efficient functioning of the process.



3.4 BOI Partnership with Private Sector

a. Advocacy for Private Sector Development

BOI is a key agency for policy advocacy and facilitation for private sector. It maintains a strong relationship with the private sector business chambers, industry associations, professional development bodies, economic research initiatives etc. The 19-Member Board of BOI is also represented by two private sector chambers namely FBCCI and BCI. Besides, BOI also engages private sector in all the policy making and implementation initiatives.

b. Institutional Partnership Initiative: Chittagong Skills Development Centre (CSDC)

In responding to its investors' changing business requirements, BOI has undertaken a pioneering initiative by partnering with industry and academia to establish CSDC – the Chittagong Skills Development Centre. CSDC is an industry-led, non-profit skills development centre that caters to the present and future skill requirements of the industry, modeled after the highly-acclaimed Penang Skills Development Centre – PSDC, of Malaysia.

CSDC's industry-focused skills training strives to galvanize the nation's abundant human resource to boost industrial productivity and growth. By strategically leveraging the nation's cost-effective labor base into a skilled workforce, CSDC will help add greater value to existing and future Foreign Direct Investments; A broader skilled workforce will further expand and attract multinational and particularly ICT manufacturing in Bangladesh for regional markets. As a smart partnership, CSDC's membership includes multinational and local companies, Chambers of Commerce & Industry, NGOs and the BOI. The Bangladesh Government is firmly committed to this policy of Private-Public partnership for accelerated economic development.

Through its strategic partnership with PSDC as well as its members' internal training institutions, CSDC offers state-of-the-art, cutting edge technical trainings and global best practices in business management education. By sharing, developing, importing and localizing high-caliber training programmes cost-effectively, CSDC strives to redress the lack of high-quality training services in Bangladesh and reduce companies' costly dependence on foreign training. Furthermore, its industry orientation ensures proactive skills upgradation in response to evolving skill requirements and new technologies.



Partial view of the Chittagong Port

Setting up a business in a foreign country requires a number of activities to perform. This chapter gives a simplified presentation of those activities with a view to enabling investors to:

- approach in the most simplified manner.
- avoid unjustified steps in a multi-step cycle.
- ensure the best and efficient use of time in business set-up.