

Company Formation in Bangladesh: STA Law Firm



We're business lawyers who offer practical, value-driven solutions through outstanding legal knowledge, experience and distinguished reputation.

At STA, we offer bespoke, flexible service delivered by entrepreneurial people. Our team strives for innovative and lateral legal and business solutions to achieve our clients' business objectives.

# **OUR EXPERTISE**

## Why STA?

STA has a highly experienced corporate team, providing commercially sound and cost effective legal advice in a wide range of complex corporate as well as commercial transactions. At STA, we strongly believe 'Good is not good enough'; we aim to set high standards in the legal profession.

### **GLOBAL COMPANY FORMATION**

At STA, we're not just commercially-minded; we're entrepreneurial, clear and also result oriented. At STA, we render legal advice that is timely, practical and individually tailored to meet specific requirements of our clients.

We don't simply form companies. We pay careful attention to varied aspects of formation. We deploy our senior associates and associates to carefully understand clients' requirements. We brainstorm and discuss the right structure, the right entity type or the legal form, tax implications, and shareholder structuring. We draft necessary business plans, forms, and contracts including shareholders' agreement, management contracts and other necessary documents to ensure that contentious shareholder disputes are best avoided. That is why we call 'expansion beyond horizon...'

### DISCLAIMER

Although STA makes every effort to ensure that the information supplied herein is true and correct, please be advised that information supplied herein does not constitute legal or financial advice. You must under every circumstances obtain necessary legal counsel and financial advice.

STA has extensive legal experience in all forms of corporate and commercial matters across the United Arab Emirates. We provide a range of corporate and commercial services and advice, including:

- ADX, Nasdaq Dubai, ESCA, and DFM
- Corporate governance
- Capital market and private equity transactions
- Due Diligence
- Joint ventures and shareholder agreements
- Mergers and acquisitions including reverse and hostile takeovers, compulsory acquisitions and divestments
- Private equity and venture capital raising
- Trust structures

We have advised a range of businesses including:

- Financial services
- Construction and infrastructure
- Mining, energy and resources
- Fast moving consumer goods
- Hospitality and tourism
- Transport and aviation

We have earned an outstanding reputation as trusted legal advisors who are closely aligned with our clients, who can add value and who are easy to work with on all corporate and commercial transactions and governance issues

	Company Formation in Bangladesh									
Sr. No.	Particulars	Limited Liability Company	Company Limited by Shares	Company Limited by Guarantee	Unlimited Company	Public Limited Company	Representative Company	Branch		
1	Domestic law governing the entities	Companies Act 1994, register with Joint Stock Companies and Firms, license obtained from obtained from the City Corporation.	Companies Act 1994, register with Joint Stock Companies and Firms, license obtained from obtained from the City Corporation.	Companies Act 1994, register with Joint Stock Companies and Firms, license obtained from obtained from the City Corporation.	Companies Act 1994, register with Joint Stock Companies and Firms, license obtained from obtained from the City Corporation.	Companies Act 1994, register with Joint Stock Companies and Firms, license obtained from obtained from the City Corporation.	Companies Act 1994, register with Joint Stock Companies and Firms.	Companies Act 1994, register with Joint Stock Companies and Firms, and Bangladesh Board of Investment.		
2	Minimum share capital requirement	USD 1	USD 1	No prescribed minimum share capital	No prescribed minimum share capital	USD 1	USD 50,000	USD 50,000		
3	Minimum number of shareholders	Minimum seven shareholders required	Minimum seven shareholders required	Minimum seven shareholders required	Minimum seven shareholders required	Minimum two shareholders required	Minimum one shareholder required	Minimum one shareholder required		
4	Requirement of shareholder who is a citizen	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.		
5	Liability of the shareholders or partners	Limited by shares	Limited by shares	Jointly and severally limited	Unlimited	Limited by shares	N/A	Liability of head office		
6	Minimum number of directors (only natural persons)	Two	Two	Two	Тwo	Three	One	One		
7	Requirement of resident director or manager or company secretary		No requirement of a director, manager or secretary who is a citizen.	director, manager or	-	director, manager or	director, manager or	director, manager or		
8	Auditing requirements	Accounts must be annually audited.	Accounts must be annually audited.	Accounts must be annually audited.	Accounts must be annually audited.	Accounts must be annually audited.	N/A	Accounts must be annually audited.		

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Sr. No.	Particulars	Limited Liability Company	Company Limited by Shares	Company Limited by Guarantee	Unlimited Company	Public Limited Company	Representative Company	Branch		
9	Company registration fee	Approximately USD 12,700.	Approximately USD 12,700.	Approximately USD 12,700.	Approximately USD 12,700.	Approximately USD 16,600.	Approximately USD 15,900.	Approximately USD 15,900.		
10	Company license fee	Trade license: approximately USD 70	Trade license: approximately USD 70	Trade license: approximately USD 70						
11	Annual license renewal fee	Approximately USD 3,500	Approximately USD 3,500	Approximately USD 3,500	Approximately USD 3,500	Approximately USD 3,500	N/A	N/A		
12	Tax liability	Corporate tax at a rate of 35%	Corporate tax at a rate of 35%	Corporate tax at a rate of 35%	Corporate tax at a rate of 35%	Corporate tax at a rate of 35%	Corporate tax at a rate of 35%	Corporate tax at a rate of 35%		
13	Are 'shelf companies' allowed?	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Not allowed		
14	Approximate time period for company incorporation	5 – 6 weeks	7 – 8 weeks	7 – 8 weeks						