

A Guide to Permitting and Licenses for a Solar Factory in Bangladesh

A Regulatory Roadmap for Establishing Solar Assembly Plants.

Content Partner: J. v. G. technology GmbH

Turnkey solar module production lines — since 1997

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Technical Overview: Permitting and Licenses for Bangladesh Solar Factories



Created as part of the PVKnowHow Knowledge Network



Prepared by J.v.G. Technology GmbH



European specialists in turnkey solar module production lines

Key Project Data

6–12 mo

Regulatory Timeline

Estimated full permit acquisition period for a solar module assembly plant

BIDA

Key Authority

Bangladesh Investment Development Authority — One-Stop Service (OSS) portal

3+

Critical Permits

ECC (Environmental Clearance), Factory License (DIFE), Fire License (FSCD)

BD

Region

Bangladesh — one of Asia's highest-growth solar manufacturing markets

📄 Factory Type: Solar module assembly plant · Key Authority: BIDA (One-Stop Service) · Source: PVKnowHow / J.v.G. Technology GmbH

Regulatory Overview

Regulatory Framework

- Bangladesh requires multiple sequential permits before factory operations can commence
- No single agency covers all approvals — coordination across 4–6 authorities is required
- 100% foreign ownership is permitted for solar manufacturing under current investment policy
- BIDA serves as the primary coordination gateway for all foreign investors

Involved Authorities

- **BIDA** — Investment registration & one-stop facilitation
- **RJSC** — Company incorporation
- **NBR** — TIN and VAT registration
- **CCI&E** — Import/Export Registration (IRC/ERC)
- **DoE** — Environmental Clearance Certificate (ECC)
- **DIFE** — Factory License
- **FSCD** — Fire License

Role of BIDA: One-Stop Service

What BIDA Does

- Apex government body for promoting and facilitating domestic and foreign investment
- Operates the One-Stop Service (OSS) portal — single digital entry point for most permits
- Applications automatically routed to relevant agencies upon submission
- Real-time status tracking available via OSS dashboard

Services Facilitated via OSS

- Industrial project registration and approval
- Work permits and visa recommendations for foreign nationals
- IRC/ERC recommendation to CCI&E
- ECC, Factory License, and Fire License routing
- Utility connections (electricity, gas, water)
- Capital machinery import facilitation

Scale & Track Record

- Over 170,390 services facilitated for 14,810 organizations as of December 2024
- OSS platform rated 4.5/5 based on 75,000 feedback submissions
- Operates under the One-Stop Service Rules 2020 of the OSS Act

Company Incorporation Steps

1 — Name Clearance & RJSC Registration

Secure name clearance; submit Memorandum and Articles of Association to the Registrar of Joint Stock Companies and Firms (RJSC)
Most foreign investors form a Private Limited Company — provides formal ownership and liability structure

2 — BIDA Investment Registration

Register the industrial project through the BIDA OSS portal (initial approval valid for 3 years)
Required prerequisite for work permits, government incentives, and further license applications

3 — Bank Account & Capital Remittance

Open a local bank account; remit minimum USD 50,000 in foreign exchange within 2 months of BIDA approval
Notify Bangladesh Bank under Section 18B of the Foreign Exchange Regulation Act within 30 days

4 — TIN, VAT & Trade License

Obtain TIN via NBR e-TIN portal; register for VAT (BIN) via NBR website — both available through BIDA OSS
Trade License issued by local City Corporation or Municipality — required for all subsequent permits

Core Business Licenses: TIN, VAT & Trade License

TIN — Tax Identification Number

- Issued by the National Board of Revenue (NBR) via e-TIN registration portal
- Required for all subsequent license applications, including IRC and Factory License
- Application requires utility bill, business registration certificate, and passport or NID copy

VAT Registration (BIN)

- Business Identification Number (BIN) granted only via VAT registration certificate
- Standard VAT rate: 15% on imports and supplies; no VAT required on exports
- Online registration requires Trade License, TIN certificate, and balance sheet — free of charge via NBR website

Trade License

- Issued by local City Corporation (e.g., Dhaka North/South) or Municipality
- Mandatory prerequisite for Factory License, IRC, ECC, and Fire License applications
- Required documents: NID/passport, holding tax receipt, incorporation certificate, TIN

Import/Export Requirements: IRC & ERC

IRC – Import Registration Certificate

- Mandatory for importing raw materials, components, and capital machinery
- Issued by the Office of the Chief Controller of Imports & Exports (CCI&E) under the Ministry of Commerce
- Solar module plants require an **Industrial IRC** – requires factory layout plans and machinery lists in addition to standard documents
- IRC recommended via BIDA OSS portal; ad hoc IRC available for new projects
- Legal basis: Import Policy Order 2015–18

ERC – Export Registration Certificate

- Required for any manufacturer wishing to export finished solar modules
- Issued by the Export Promotion Bureau (EPB) via CCI&E
- Required documents largely mirror IRC: Trade License, TIN, VAT, Chamber membership, bank solvency certificate
- Both IRC and ERC are valid for one year and must be renewed annually
- Late renewal may incur penalties or require full reapplication

Factory-Specific Permits: ECC, DIFE & Fire License

ECC — Environmental Clearance Certificate

- Issued by the Department of Environment (DoE) — routed through BIDA OSS
- Solar module assembly likely classified as "Orange-B" or "Red" category
- "Red" category requires both IEE and full EIA submission before clearance
- Do not begin major construction before ECC is secured

Factory License (DIFE)

- Issued by the Department of Inspection for Factories and Establishments (DIFE)
- Confirms factory layout and working conditions meet national labor law standards
- Layout plan approval from DIFE must precede final Factory License application
- Application must be submitted within 30 days before commencement of factory operations

Fire License (FSCD)

- Mandatory annual license under the Fire Prevention and Fire Fighting Act, 2003
- Issued by the Department of Fire Service & Civil Defense (FSCD)
- An FSCD inspector must physically visit and approve the factory premises
- Required documents: Trade License, TIN, VAT, ECC, building layout, firefighting equipment inventory

Environmental Compliance: IEE & EIA

Environmental Classification


- All manufacturing projects categorized by potential environmental impact
- Solar module assembly: likely "Orange-B" or "Red" classification
- Classification determines whether IEE alone or full EIA is required

IEE – Initial Environmental Examination

- First stage of environmental assessment for Red category projects
- Submitted to DoE as precondition to full EIA review
- Influences site selection and early factory design decisions

EIA – Environmental Impact Assessment

- Comprehensive assessment of impact on air, water, and soil
- Must include mitigation measures – reviewed across multiple stages by DoE
- ECC is the most complex and time-consuming permit in the full regulatory pathway

 It is strongly advised not to begin major construction before the ECC and DIFE layout plan approval are secured.

Regulatory Timeline: 6–12 Months



The full regulatory cycle from company formation to operational clearance typically spans 6 to 12 months. The Environmental Clearance Certificate (ECC) is the longest-lead item and should be initiated in parallel with other steps wherever possible. A parallel, proactive approach guided by a clear understanding of inter-agency dependencies is essential to avoid schedule delays.

Strategic Risks & Dependencies

1

Sequential Dependency Risk

Each permit layer is a prerequisite for the next — delays in TIN, Trade License, or ECC block all downstream applications

2


ECC Bottleneck

Environmental clearance is the most complex and time-consuming step; initiating IEE/EIA early is critical to maintaining overall schedule

3

Local Knowledge Gap

Engaging a local consultant familiar with BIDA and DIFE procedures can prevent costly administrative errors and accelerate timelines

 **Critical dependency:** Major construction must not begin before ECC issuance and DIFE factory layout approval are confirmed. Violations can halt the project and require costly remediation.

FAQ Highlights

Can a foreign investor own 100% of a solar factory in Bangladesh?

Yes. 100% foreign ownership is permitted for solar manufacturing under current investment policy. A local partner or representative is not legally required, though it is highly advisable for navigating administrative procedures.

Are IRC and ERC renewable — and what happens if they lapse?

Both are valid for one year and must be renewed annually with the CCI&E. Failure to renew means the company cannot legally import or export until renewal is complete. Late renewal may incur penalties or require full reapplication.

How does BIDA OSS simplify the process for a first-time investor?

The BIDA One-Stop Service portal routes applications automatically to the relevant government agencies, provides real-time status updates, and allows approved documents to be downloaded directly — reducing the need for repeated in-person visits across multiple ministries.

Conclusion

Structured & Manageable


The regulatory pathway is well-defined. With correct sequencing and early action on ECC, the 6–12 month timeline is achievable.

BIDA as Facilitator

The government's creation of BIDA as a central OSS hub signals a clear intent to support serious investors in Bangladesh's growing solar sector.

Turnkey Partnership Advantage

An experienced European turnkey provider integrates regulatory and manufacturing know-how — reducing the learning curve for new entrants into solar module production.

 **Factory Type:** Solar module assembly plant · **Regulatory Timeline:** 6–12 months · **Key Authority:** BIDA (One-Stop Service) · **Critical Permits:** ECC, Factory License, Fire License · **Region:** Bangladesh · **Source:** PVKnowHow / J.v.G. Technology GmbH

About the Content Partner

J. v. G. technology GmbH – The DESERT Company

Founded in 1997 in Bavaria, Germany. Family-owned engineering company specializing in turnkey solar module production lines.

More than 90 factory projects delivered worldwide.

On-site team training included – no prior manufacturing experience required.

Key areas:

Turnkey PV manufacturing lines | DESERT Technology® |
TÜV-certified module designs | Factory planning to production

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