

Opp MPs seek PM’s intervention in bourse

STAR BUSINESS REPORT

Opposition Jatiya Party MP Kazi Firoz Rashid and BNP MP Harunur Rashid in parliament yesterday urged Prime Minister Sheikh Hasina to take steps to save the ailing stock market.

DSEX, the benchmark index of the Dhaka Stock Exchange, shed 1,882 points, or 31.63 percent, since February last year.

“If the prime minister intervenes then the share market can be revamped,” Rashid said, adding that there are reports of bourse’s deplorable situation in the media every day.

Quoting expert opinions he said the absence of good governance was failing to give confidence to investors to put in more money.

“This is an ominous sign for the market.”

The listing of weak companies was causing the fall, Rashid said, while criticising the Bangladesh Securities and Exchange Commission (BSEC) heavily.

“The BSEC is the authority for this listing. Some merchant banks and issuers are bringing these weak companies in the market.”

So far no punitive measures have been taken against the BSEC or anyone for bringing such rotten companies.

He questioned how a Tk 10 share can get listed with Tk 30 in premium, how these shares came to the market, why the issue managers were not being arrested and why the merchant banks were not being held accountable.

BNP MP Harunur Rashid criticised ministers, including Finance Minister AHM Mustafa Kamal, saying they do not see any devastation in the share market.

“They said that there is no crisis. We are astonished, for the last one week people are lying on the roads due to debacle in the share market. They are crying, thousands of families are getting ruined, but the government is not taking any visible steps that would assure us,” he said.

The opposition MP said that news has been published in the newspapers that the foreign investors are going away from the share market.

He also questioned the finance minister about the actions he has taken to save the share market.

STOCKS’ SLIDE STOPS

DSEX picked up yesterday after a two-day plunge as many solid stocks nosedived to a four- or five-year low, making them too tempting to retail investors. Besides, the Bangladesh Merchant Bankers’ Association’s disclosure that the finance ministry ordered four state banks to invest in stocks helped too.

DSEX rose to **4,068.20** points (increased **31.95** points, or **0.79%**)

Turnover Tk **242.82** crore (dropped Tk **19.9** crore, or **7.67%**)

TOP POSITIVE CONTRIBUTOR TO DSEX

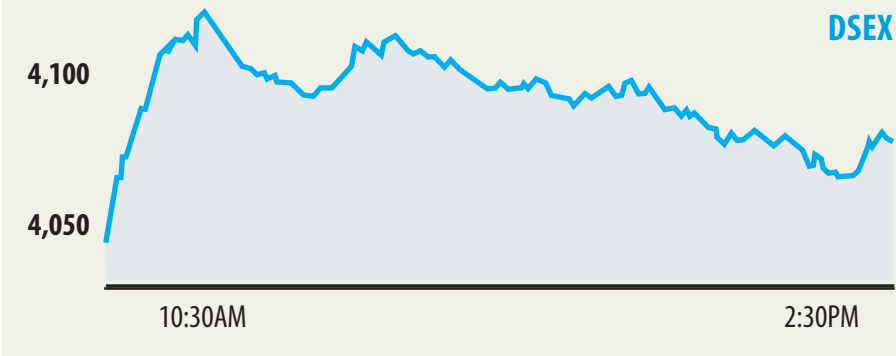
Company	In points
Square Pharmaceuticals	4.41
BATB	2.75
Brac Bank	2.73
Shahjalal Islami Bank	2.21
ICB	1.46

TOP FIVE GAINERS

Company	Gain (in %)
Dacca Dyeing	10
Progressive Life	9.97
Tosrifa Industries	9.67
Meghna Milk	9.40
RN Spinning	9.37

TOP FIVE LOSERS

Company	Loss (in %)
Shympur Sugar	9.56
Northern Jute	8.57
Stylecraft	7.95
ADN Telecom	6.07
Atlas Bangla	5.48



Reforming tax through digital sophistication



ARIJIT CHAKRABORTY

THE National Board of Revenue (NBR) provides several e-services, including application for tax identification number (e-TIN), tax payments and tax return filing, through its website.

NBR also has an e-learning portal to educate people about VAT through multiple e-learning courses. All these services are aimed at simplifying multiple tax processes and improved digital interactions between the government and taxpayers.

While the successful roll-out of these websites will digitally transform the country, the government should also focus on improving the efficiency of the overall tax processes and stakeholder satisfaction.

Time spent on performing tax compliance processes is an important metric for assessing the ease and efficiency of paying taxes. China, for example, has been improving this metric continuously.

According to Paying Taxes, a study by PwC and the World Bank Group, it took businesses about 138 hours to comply with tax obligations in China in 2018. This was a continuous improvement from 142 hours taken in 2017 and from 207 hours in 2016.

The time required for compliance has improved in India as well, as the technology adopted for the new goods and services tax (GST) system has started stabilising.

According to the study, businesses in

India took about 254 hours to comply with tax requirements in 2018, compared to 278 hours in 2017. For India, the introduction of GST was a bold move, considering the scale of implementation and number of businesses affected.

The objective was to free up the movement of goods, services, and tax credits across the country and make it easier to do business. GST is also expected to drive significant standardisation and simplification of processes.

According to the study, businesses in Bangladesh took about 435 hours to comply with tax obligations in 2018. As the NBR is moving towards the new VAT system, such metrics are expected to improve in the coming years.

Multiple sets of technologies are available today to improve the processes of tax compliance and administration. Depending upon the technologies deployed for tax compliance, both by payers and administrators, the tax regimes may be classified into different categories. At one end, there are tax regimes where both payers and administrators use a minimal amount of technology.

On the other end of high digital sophistication, both payers and administrators work with a set of fully automated real-time tax reporting and compliance processes.

As digital sophistication increases with a higher degree of technology adoption, the ease and efficiency of paying taxes are expected to improve.

A few countries have started assessing and piloting the next level of cutting-edge technologies for administration of tax compliance, such as blockchain technology.

For example, in Kazakhstan, the use of a blockchain-based system for administering a portion of VAT receipts has reached the final phase of implementation and started showing promising results.

The tax authority in the UK has started evaluating blockchain technology as part of its broader transformation plan to digitise tax compliance processes for businesses. Such use of sophisticated technology is expected to provide greater flexibility, such as facilitating split payment of VAT.

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WB’S DOING BUSINESS INDEX (PAYING TAXES 2020 REPORT)

	Paying Taxes rank	Paying Taxes score	Payments (number per year)	Time (hours per year)
Afghanistan	178	42.2	19	270
India	115	67.6	11	252
Pakistan	161	52.9	34	283
Bangladesh	151	56.1	33	435
Sri Lanka	142	59.8	36	129
Nepal	175	47.1	46	377
Bhutan	15	89.2	18	52
The Maldives	119	66.4	17	391
Myanmar	129	63.9	31	282

10 northern districts to get prepaid electric meters

STAR BUSINESS REPORT

A Bangladesh-China joint venture will install smart prepaid meters in 10 northern districts within the next 10 months as part of government efforts to improve services, reduce waste and increase revenue collection.

The districts are Rajshahi, Chapainawabganj, Natore, Pabna, Bogura, Dinaipur, Panchagarh, Thakurgaon, Saidpur and Nilphamari.

Some 139,448 meters and 839 data collection units, including advanced metering infrastructure systems, will be installed under a

Tk 414.82 crore deal.

According to a statement of the power division, the equipment will ensure transparency, online real-time data access and easy bill collection and payment from anywhere in the world.

There are around three crore electricity subscribers in Bangladesh, some 20 lakh of whom have smart prepaid meters.

The deal was inked between Northern Electric Supply Company (Nesco) and the joint venture company, which comprises Shenzhen Star Instrument Co and Oculin Tech BD, at Bidyut

Bhaban in Dhaka yesterday.

Syed Abu Taher, deputy secretary to Nesco, Lu Chun Dan, president of Shenzhen Star Instrument Co, and Sajib Sajid, managing director of Oculin Tech BD, represented their respective entities.

Tawfiq-e-Elahi Chowdhury, power, energy and mineral resources adviser to the prime minister; Sultan Ahmed, secretary to the power division; AKM Humayun Kabir, chairman, board of directors, Nesco; and Sayeed Ahmed, chairman of Bangladesh Power Development Board, were present.

FARMERS GRIN CULTIVATING BEAN

Monir Hossain tends to his lima beans in Kalinjibari area of Sylhet’s Jainta upazila. He is some of the upazila’s 300 farmers who became self-sufficient cultivating leased land. Hossain recently made a profit of Tk 3 lakh selling long beans for around Tk 2.75 lakh and lima beans for Tk 2 lakh cultivating around 2 acres of land.



SHEKI NASIR