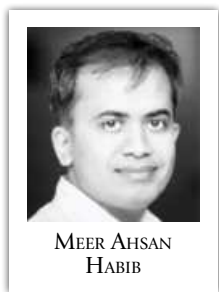


Tax small taxpayers but let the giants go?

We can do better.



FOR decades, the regulatory authorities in Bangladesh have opted for the easiest path of collecting revenue by imposing additional taxes on existing products or services enjoyed by people in their everyday life. Therefore, it was no wonder when most of the credit and debit cardholders started receiving a text message from their respective banks saying “As per a regulatory guideline, 15 percent VAT (incorporated in the VAT Act) will be added with payments to Netflix and other international online services using your card.” The message started popping up in mid-June after the proposed national budget for FY 2020-21 was placed in parliament.

To be clear, no additional or new taxes have been imposed on international online transactions in the budget proposal. Rather, it is an outcome of a “rule nisi” against the writ petition no. 5227 of 2018 (dated April 12, 2018), calling upon the respondents to show cause as to why they should not be directed to take immediate necessary steps to realise appropriate tax, VAT or any other government charges from the revenue earned by internet companies such as Google, Facebook, Amazon, Yahoo, YouTube, etc.

Like most other countries in the world, Bangladesh is also struggling to combat the Covid-19 pandemic and its impacts including, but not limited to, economic shocks. Revenue from corporate income tax is likely to be far below that of the previous financial years. So to combat the potential decline in tax revenue, the authorities have chosen the easiest way by imposing additional taxes on the existing tax structure. For instance, the telecom sector has been

slapped with an additional 5 percent supplementary tax which now makes it the priciest service sector, with a 33 percent tax entirely borne by the users. A user will need to pay extra for talking over phone, or using data used for watching streaming services like Netflix, or enjoying videos on Youtube, or any other use of the internet.

It’s important to note that use of mobile data has grown exponentially as the ongoing pandemic has forced people to take shelter at home, with many things being done through different online platforms. The education sector, for example, is now seriously considering a transition to virtual learning until the pandemic is over. Experts are, therefore, advocating for reduction of charges on data usage to effectively help the people and the government in digitising services to tackle Covid-19 side-effects. But the regulatory authorities have rather chosen to target the online community as a source of additional revenue to counter possible tax deficits. Undoubtedly, the lower-middle and middle class of the country will have to bear its brunt.

The fight against Covid-19 has exposed how ill-prepared we have been. Those responsible for advising the government have clearly failed to do their job. The proposed budget, which should have given a strong emphasis on cutting down unnecessary government spending and increasing cash flow in the economy, is but a reflection of this failure.

As regards the 15 percent VAT on online international transactions, the National Board of Revenue (NBR) and Bangladesh Bank have instructed all scheduled banks to start deducting the applicable VAT from the service recipients for online payments made to international markets located outside the geographical boundary of Bangladesh. These include Netflix and various other online platforms. Netflix’s name has been mentioned in particular as it has become a household name in the world as well as in Bangladesh. In the face of

lockdowns across cities and countries, people who can afford internet are now glued to their TV set watching Netflix, Amazon Prime and other streaming services.

The regulators have listed 76 online and digital services and a 15 percent VAT will be levied on online transactions for payment made at any of these merchants with effect from June 17, 2020. There is a possibility of charging 15 percent VAT in the future on similar payments made

(NOAB). The association has long been advocating bringing the internet giants under the purview of national legislation and extending its tax collection efforts. *The Daily Star* published an opinion on November 23, 2017 that showcased how countries across Asia and Europe are ramping up their efforts to force internet giants to conform to local legislation and pay taxes. The writ petition in question was filed a few months later.

In April 2020, Netflix reported a total

starting from digital communications to cloud hosting to digital marketing to e-commerce and other internet-enabled services. For instance, Google and Facebook do almost all these businesses and their mammoth revenue and net income can be totally attributed to third-party content (e.g. online news portals). They do not own this content and their third-party partners are kept in the dark about the revenue they earn from using different services. Countries like Bangladesh can demand a fair share of the revenue from such internet-enabled services.

As we can see, the writ petition backfired for the consumers—instead of taxing the internet giants, the regulatory authorities have slapped a 15 percent VAT on the consumers. Well, this was not unexpected. In November 2018, soon after filing the writ petition, Google appointed a multinational consulting and tax services firm in Bangladesh to protect its business interests in the country. The regulators, too, cared little to bring the technology giants under the tax net but rather happily imposed VAT on them thereafter.

Taxing the technology giants is not an easy task. However, Bangladesh could learn from the experiences of the European and Asian countries and join the global initiatives of making the technology giants financially accountable. A huge opportunity lies before the government to collect tax in foreign currency from the tech giants. By doing so, the government can somewhat counter the budget deficit and finance its ambitious infrastructure projects in the future. At a time when we are going through a Covid-19 fuelled economic meltdown, such a move can rescue the country to some extent. But this will only be possible if those who are bestowed with the power of making relevant policies do so.

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In Bangladesh, all online streaming platforms only accept payments in foreign currency, forcing customers to endorse dollars against their credit cards to pay them digitally.

since July 1, 2019. If this happens, it will be a major blow to the government’s digitalisation efforts, and cloud hosting dependent services like the online news portals. As it is, the newspaper industry (both online and print) is already struggling to survive as there has been a drastic fall in revenue earning from advertisements in the wake of the Covid-19 pandemic.

Was there any other alternative? Yes, there was, and it was advocated by the industry stakeholders like the Newspaper Owners Association of Bangladesh

revenue of USD 20.2 billion in 2019—a 27.6 percent year-over-year rise. Since 2015, its revenue has nearly tripled with a net income growth by more than 14 times. The company’s revenue and net income are likely to surpass all other previous records in 2020 as there has been a surge in subscriptions. Other companies like Amazon Prime and Disney have experienced a more or less similar growth.

Not only the streaming ones, there are also different kinds of companies that are doing internet-based businesses,

How accurate is RT-PCR in diagnosing Covid-19?

MOHAMMAD DIDARE ALAM MUHSIN

ACCORDING to WHO, “test, test and test” is the key strategy for containing the Covid-19 pandemic at the moment. Considering the significance of quick diagnosis, scientists throughout the world continued their effort to develop an easy, economic and effective testing method for diagnosing the disease. The methods used so far for diagnosis could be divided into two major categories: RT-PCR tests and serological tests.

In its interim guideline given on March 2, 2020, WHO suggested nucleic acid amplification tests (NAATs) for routine diagnosis of Covid-19 infection and cited RT-PCR as an example. As of now, this is the method practised most commonly and is regarded as the gold standard for diagnosing the infection. What is the basis of such a high reliance on this method and how valid is it? You might have found reports saying that someone tested negative once and positive later in a second test. This kind of flawed test results appeared as a huge problem for physicians in dealing with Covid-19 throughout the world. Even Dr Li Wenliang, the Chinese doctor who first made the world aware of this disease and eventually contracted the virus himself and died of it, tested negative several times before finally receiving a positive result. A case study published in the May 2020 issue of Japanese Journal of Radiology shows that a 34-year-old person tested negative four times for Covid-19 in RT-PCR test before ultimately testing positive.

Basically, two factors are taken into account when assessing the effectiveness of a diagnostic test: specificity and sensitivity. The term “specificity” refers to the ability of the test to eliminate “false positive”

results—that is, identifying the infection caused by other viruses of the corona family (such as those causing common cold, SARS or MERS) as Covid-19. From this perspective, the efficiency of RT-PCR is almost 100 percent. If a person tests positive in RT-PCR, there is almost no chance for the result to be false positive. “The good news is that the tests appear to be highly specific: If your test comes back positive, it is almost certain you have the infection,” writes Harlan M Krumholz, MD, a professor of medicine at Yale and director of the Yale New Haven Hospital Center for Outcomes Research and Evaluation (*The New York Times*, April 1). This is the reason for such a high enthusiasm for RT-PCR as a diagnostic test for coronavirus infection. The result can only be false positive if the sample of a non-infected person is contaminated with that of an infected individual.

The term “sensitivity” indicates the ability of the test to detect the virus and minimise “false negative” result—that is, failing to detect the virus when it is actually present in a patient’s sample. The performance of RT-PCR is not that good in this respect. There are reports of 15-30 percent “false negative” results, as the sources vary. So, if you test negative, you cannot be sure that you did not contract the infection. This kind of error with Covid-19 diagnosis may cause serious consequences. On the one hand, the infected individual may be deprived of necessary care; on the other hand, he/she may socialise with others considering themselves “not infected”, keeping on transmitting the disease to others.

Now, what to do if this kind of false negative result turns out to be a regular issue? “A lot of my patients who have symptoms, who I clinically think have Covid-19, are testing negative,” says Dr Alain Chauvi, head of Congenial

Healthcare, a North Shore practice with 50,000 patients across five locations in Massachusetts, USA. He further says that he is advising all of his patients who test negative but appear to be infected to assume they have the disease. He tells them to quarantine themselves until they experience no symptoms for at least 72 hours (*The Boston Globe*, April 2). Dr Harlan M Krumholz also shared a similar sentiment: “For now, we should assume that anyone could be carrying the virus. If you have had likely exposures and symptoms suggest Covid-19 infection, you probably have it—even if your test is negative.” (*The New York Times*, April 1). At the University of Massachusetts Memorial Medical Center in Worcester, epidemiologist Dr Richard Ellison said that the hospital was retesting patients who received a negative test result but have symptoms of the novel coronavirus, in an attempt to cut down on false negatives (*The Boston Globe*, April 2). In some cases, lacking tests or not trusting the results, doctors have turned to chest X-rays or CT scans to diagnose patients by looking for signs of infection in the lungs. (*Bloomberg*, April 1)

You may ask what lies behind this drawback of RT-PCR in terms of sensitivity. Is it a lacking of the instrument or the testing method or does it result from a faulty sample? Experts are of the opinion that if reagents are fine and the test is run properly, this method should get 100 percent mark in terms of sensitivity as well. This test is “actually really good,” says Jeff Pothof, chief quality officer at UW Health, the academic medical centre and health system for the University of Wisconsin-Madison. “So good that if we can capture a single strand of RNA, we can get a result” (*Slate Magazine*, April 6). So, the real

problem likely lies not in the lab but in the samples sent for testing. If there is no virus in the sample, what will the PCR detect?

The defect in the sample may arise at any stage during sample collection, transport, preservation or processing. Experts particularly point to faulty sample collection. Here, one consideration is at what stage of infection the sample is being collected from the patient. It has been found that many patients tested negative first, despite having overt symptoms like cough and fever, and later tested positive in a second test. It is possible that your infection was in an early stage when the sample was taken first and so you tested negative. Actually, Covid-19 appears to have a pretty long incubation period and, being a new disease, there is a dearth of data about when in the course of the infection a test is most likely to be positive. However, Dr Omai Garner, an assistant professor of pathology and laboratory medicine at the University of California, Los Angeles (UCLA), had a suggestion: “Right now, the test appears to be most effective in patients who have been showing symptoms (specifically a fever and cough) for three to five days.” No one knows how well it detects the virus in people who are asymptomatic, or how reliable it is after a patient has begun to recover (*Slate Magazine*, April 6).

Another, and probably more important, consideration is how adequately the sample has been collected. Most tests rely on a nasal swab that penetrates deep into the pharynx, the mucous membrane behind the nose and mouth. It’s not an easy job and can be difficult even for a trained health worker. It’s an invasive procedure that often causes patients to squirm. It is possible that the swab

is not getting all the way into the nasopharynx. With a shortage of staff to conduct such widespread testing, in many cases people not typically trained to do so are collecting samples. Besides, people administering the test may be rushing from patient to patient. So, you should not get surprised if some of the swabs come back blank with no virus in it. When a swab with no virus on it arrives in the lab, it doesn’t matter how sensitive the RT-PCR is. “If the sample is junk, just to be blunt, you’re not going to find anything,” says Nam Tran, an associate clinical professor at the University of California, Davis. (*Slate Magazine*, April 6)

It’s evident from the above account that adequate sample collection at the right time can have a huge role in the accuracy of test results. In fact, a successful diagnostic test begins at sample collection because improper sampling can result in an inadequate specimen, rendering the total process useless (starting from sample collection to laboratory testing) and causing a wastage of time and resources. Many people who are actually infected might be incorrectly diagnosed as not infected, and may keep spreading infection in the community. So, it is important not only to increase the testing capacity but also appoint adequate skilled and trained manpower for sample collection. According to newspaper reports, there are a large number of trained medical technologists in the country who are ready to get involved in the job. The government has already decided to appoint a good number of them, but perhaps we should consider appointing more in order to respond to the demand of the time.

Dr Mohammad Didare Alam Muhsin is a professor of pharmacy at Jahangirnagar University.

QUOTABLE
Quote

MARY KAY ASH
(1918-2001)
American entrepreneur.

Those who are blessed with the most talent don't necessarily outperform everyone else. It's the people with follow-through who excel.

CROSSWORD BY THOMAS JOSEPH

ACROSS

1 Office leader

5 Abacus piece

9 “Vive —!”

10 Highway divisions

12 Cup, perhaps

13 Came up

14 Hit seekers

16 Clamor

17 Smelter supply

18 Tops the toast

20 Station worker

22 “Got it”

23 Band-leader

Shaw

25 Weary word

28 Open, in a way

32 Herb-flavored

drink

34 Rosemary’s

portrayer

35 Clumsy one

36 Tops

38 Declare

40 Spinetlingling

41 Canadian lout

42 Writer Horatio

43 Dapper

44 Some bucks

DOWN

1 Word of warning

2 Held forth

3 Ilk

4 Article

supplement

5 Big party

6 Corn unit

7 Battery ends

8 Craving

9 Toil

11 Good judgment

15 Burst

19 Makes a bow

21 Play group

24 As an alternative

25 Make ashamed

26 39-Down merchant Thomas

27 Comfortable

29 Come into view

30 Better ventilated

31 Bright beam

33 Reviewer Roger

37 Far, in combinations

39 Brit’s brew

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YESTERDAY’S ANSWERS

S	P	E	W	R	A	C	E
W	I	N	E	S	O	H	A
A	N	G	E	L	S	E	N
P	A	L	A	N	I	M	A
S	T	I	C	K	O	N	D
A	S	H	E	N	M	I	C
L	I	M	P	C	O	R	N
E	M	U	G	O	T	O	B
A	F	F	R	O	N	T	A
F	I	F	E	R	O	C	C
S	N	I	D	E	S	H	O
E	N	O	S	I	N	N	S

BEETLE BAILEY
BY MORT WALKER

BABY BLUES
BY KIRKMAN & SCOTT