

HSBC, StanChart shares fall to 22-year lows on reports of illicit money flows

REUTERS, Hong Kong/London
HSBC's shares in Hong Kong and Standard Chartered's in London fell on Monday to their lowest since at least 1998 after media reports that they and other banks, including Barclays and Deutsche Bank, moved large sums of allegedly illicit funds over nearly two decades despite red flags about the origins of the money.

The BuzzFeed and other media articles were based on leaked suspicious activity reports (SARs) filed by banks and other financial firms with the US Department of Treasury's Financial Crimes Enforcement Network (FinCen).

HSBC shares in London fell as much as 5 per cent to 288 pence, their lowest intraday level since 2009, after the lender's Hong Kong shares earlier touched a 25-year low. The stock has now nearly halved since the start of the year.

StanChart dropped as much as 4.6 per cent in London to its lowest since 1998, against the backdrop of a broader selloff in the market with the STOXX European banks index down 4.8 per cent.

More than 2,100 SARs, which are in themselves not necessarily proof of wrongdoing, were obtained by BuzzFeed News and shared with the International Consortium of Investigative Journalists (ICIJ) and other media organisations.

StanChart said in a statement it took its "responsibility to fight financial crime extremely seriously and have invested substantially in our compliance programmes".

Barclays said it believes it has complied with "all its legal and regulatory obligations, including in relation to US sanctions."

The most number of SARs in the cache related to Deutsche Bank, whose shares fell 5.2 per cent on Monday. In a statement on Sunday, Deutsche Bank said the ICIJ had "reported on a number of historic issues."

"We have devoted significant resources to strengthening our controls and we are

very focused on meeting our responsibilities and obligations," a spokesperson for the bank said.

London-headquartered HSBC and StanChart, among other global banks, have paid billions of dollars in fines in recent years for violating US sanctions on Iran and anti-money laundering rules.

The files contained information about more than \$2 trillion worth of transactions between 1999 and 2017, which were flagged by internal compliance departments of financial institutions as suspicious.

The ICIJ reported the leaked documents were a tiny fraction of the reports filed with

FinCen. HSBC and StanChart were among the five banks that appeared most often in the documents, the ICIJ reported.

"It confirms what we already knew - that there are huge numbers of SARs being filed with relatively low numbers of cases brought through to prosecution," said Eitelka Bogardi, a Hong Kong-based financial services regulatory partner at law firm Norton Rose Fulbright.

The SARs showed that banks often moved funds for companies that were registered in offshore havens, such as the British Virgin Islands, and did not know the ultimate owner of the account, the report said.

Staff at major banks often used Google searches to learn who was behind large transactions, it said.

In some cases the banks kept moving illicit funds even after US officials warned them they could face criminal prosecutions if they continued to do business with criminals or corrupt regimes, it said.

Global banks in the recent years have boosted investments on technology and staff to deal with tighter anti-money laundering and sanctions regulatory requirements across the world.

Thousands of clients were booted out of bank accounts in major wealth hubs including Hong Kong and Singapore after a money laundering scandal in Malaysia, the 'Panama Papers' expose, and a global push for tax transparency.

FinCen said in a statement on its website on Sept. 1 that it was aware that various media outlets intended to publish a series of articles based on unlawfully disclosed SARs, as well as other documents.



HSBC and Standard Chartered Bank headquarters are seen in Hong Kong. REUTERS/FILE

LafargeHolcim joins UN's 1.5°C rise limit commitment

STAR BUSINESS DESK

LafargeHolcim yesterday said to have aligned its science-based emission reduction targets with a 1.5°C trajectory of the United Nations.

The "Business Ambition for 1.5°C: Our Only Future" is a communications and advocacy campaign of the United Nations Global Compact.

It calls for businesses to step up and do their part in limiting global temperature rise to 1.5°C in response to the global climate crisis, and in the lead up to the upcoming UN Climate Action Summit.

Over 75 CEOs are said to have committed to the 1.5°C pledge as of 2019.

The companies represent 26 countries with 2.10 million employees, as well as a wide range of 22 sectors.

They include telecommunications (16 per cent), chemicals (9 per cent), construction & materials (9 per cent), pharmaceuticals and biotechnology (7 per cent), financial services (7 per cent) and electronic and electrical equipment (7 per cent).

"I believe in building a world that works for people and the planet. That's why we are reinventing how the world builds today to make it greener with low-carbon and circular solutions," said Jan Jenisch, CEO of LafargeHolcim.

"I will not stop pushing the boundaries to lead the way in green construction."

In a statement, LafargeHolcim said this commitment was built on its construction solutions such as ECOPact, its "green concrete".

In its 2030 goals, the company aims to lower carbon dioxide intensity to 475 kg per tonne of its cementitious material and reduce its transportation and fuel-related emissions by 20 per cent.

SR Group accused of evading Tk 18cr VAT

FROM PAGE B1
As the VAT was not paid on time, the company will have to pay an additional Tk 4.07 crore in interest under the VAT Act.

The company reported its sales at Food Village were Tk 23.88 crore from February 2017 to June 2020 and it paid Tk 2.51 crore in VAT against the transactions. However, the VAT detectives uncovered that the actual sales were Tk 122.22 crore.

It dodged Tk 8.93 crore in VAT. It would have to pay another Tk 3.99 crore in interest.

The government has been deprived of VAT of Tk 26.43 crore from these two restaurants as sales information of around Tk 200 crore was concealed in a dishonest way, Moinul Khan, director-general of the VAT Intelligence, told The Daily Star yesterday.

"They are collecting this money from the people, saying that they will deposit it to the government. It is a kind of embezzlement of the people's money."

VAT detectives also seized the records of the group's The Great Kabab Factory, Sung Food Garden and SR Travel during the raid, which was led by deputy directors Nazmunahar Kaiser and Ferdousi Mahbub.

"Our sales are not that much the VAT Intelligence is saying," said Asaduzzaman, group general manager at SR Group. He said if the authorities can present evidences during hearing in favour of the sales claimed, the group will pay VAT accordingly.

"But if it is said before hearing that we evaded VAT, it tarnishes our image," he said.

'Free money' for banks as investors pile into fractured gold market

REUTERS, London

Banks are making huge profits from gold as investors flood into a market fractured by the coronavirus crisis.

The world's largest 50 investment banks are on track to double their income from precious metals this year to around \$2.5 billion, most of it from gold, Coalition, a banking consultancy, told Reuters.

"\$1.2 billion was the earnings pool last year. This year we already crossed that number," said Coalition research director Amrit Shahani.

The juicy rewards, which have not previously been reported, mark a stunning reversal of fortune for bullion banks. In March, some had to wipe hundreds of millions of dollars off their trading books as the global pandemic snarled the supply of gold bars. That disruption sowed the seeds for the current bonanza.

Stung by the losses, many big banks lowered their trading limits on the Comex exchange CME.O in New York, the biggest gold futures market, creating a lack of liquidity that pushed

prices there above prices in London, the main hub for trading physical gold, and elsewhere.

The divergence created a lucrative opportunity for banks who have the infrastructure to buy metal outside the United States and deliver it to New York to profit on the difference, especially during a pandemic, when investor demand has pushed gold prices XAU= to record levels of around \$2,000 an ounce.

Reduced trading by large banks also drove prices of later-dated futures far above near-dated ones -- an opportunity for those with gold to sell it forward for more than enough money to cover the cost of storage and capital.

The confluence of events has created a boom in profits on Comex, 13 sources at banks, brokers and funds told Reuters.

"It's free money," said an executive at one of the largest bullion-trading banks.

Even banks that reduced activity on Comex are making more money there than before, industry players said, none of whom was authorised to

prices there above prices in London, the main hub for trading physical gold, and elsewhere.

speaking to the media.

"It's double the profit on half the position," a second banker said.

Banks, some hedge funds and asset managers that did little or no business on Comex have stepped up their activity, sources said and data from CME Group, which runs the Comex exchange, showed.

CME provides little data showing activity of individual actors on its market, but numbers that are available show banks including Goldman Sachs, Morgan Stanley and Citi have ramped up trade in gold in vaults registered with the exchange in recent months, either delivering metal or accepting bars which they can sell forward.

Lenders such as Wells Fargo, BNP Paribas, Royal Bank of Canada and Barclays have also made or taken deliveries of gold against futures contracts after long periods of little or no activity.

With profits running high, not only from Comex but also from trading, financing and storing gold outside the futures exchange, some banks are hiring.

Stocks nosedive for third straight day

FROM PAGE B4
The market is on the right path but a few junk stocks are overvalued, so the investors need to be careful, according to a stock broker.

If an investor falls in hot water and incurs losses after investing in junk stocks, then it will negatively impact the market, he said, adding that the regulator should be cautious about this and focus on promoting companies that perform well.

Turnover, a major indicator for the market, dropped 11 per cent to Tk 977.58 crore yesterday at the Dhaka bourse. Of the total 355 traded stocks, 82 advanced, 259 declined and 14 were unchanged, according to DSE data.

The DSE's turnover list was topped by DBH, which traded shares worth Tk 26.63 crore, followed by Beximco, Rupali Insurance, Beximco Pharmaceuticals, and Purabi General Insurance.

ICB Employees Mutual Fund topped the gainers' list with a 10 per cent increase followed by SEMI IBBL Fund, ICB Third NRB, VAML Fund, and Miracle Industries.

Provati Insurance shed the most, plunging 10 per cent followed by Peoples Insurance, Republic Insurance, Agrani Insurance and Shyampur Sugar Mills.

The Chattogram bourse also witnessed a reduction in its benchmark index.

The CSXC, the benchmark index of the Chittagong Stock Exchange, dropped 126 points, or 1.44 per cent, to 8,597.43.

Of the total 286 stocks, 85 rose, 184 fell and 17 remained unchanged.

Don't impose duty on raw jute exports

FROM PAGE B4
On August 27, raw jute exporters had criticised the proposal in a meeting of the National Jute Sector Coordination Committee, chaired by Jute Minister Golam Dastagir Gazi.

But the association, along with the Shippers' Council of Bangladesh (SCB), has again requested the government to discard any such plan during a press conference, held at Hotel Purbani International in Dhaka yesterday.

The shutdown of state jute mills has created a surplus of jute in the market, according to a statement signed by Sheikh Syed Ali, chairman of the BJA, and Md Rezaul Karim, chairman of SCB and former BJA chairman.

The Department of Jute has reduced its jute production target by nearly 9 per cent for the current fiscal year to 84.14 lakh bales due to floods whereas the annual domestic demand is 55 lakh bales, the BJA said in a statement.

Annually, the closed government

mills used to consume 13 lakh bales of jute, which will be available for use for local millers this year, it said.

Moreover, instead of paying for purchases made earlier, the closed mills returned their stored jute to their suppliers, which is also now available in the market, the BJA added.

Jute exports have decreased drastically from 28-30 lakh bales in 1984 to 8-9 lakh bales last year and it will fall further this year as many foreign jute mills closed their doors due to a lack of raw jute, the association said.

The association acquires jute from farmers and sorts those out in separate grades as per the requirement of foreign buyers. Over one lakh people work in the industry in different districts, including Dhaka, Narayanganj, Mymensingh and Khulna.

"All these people will become jobless and we will lose the export market if the duty on raw jute

shipments is imposed now."

A vested quarter is now trying to stop export of raw jute, it added.

Businesses involved in the sector will have to face huge losses if they cannot export their stored raw jute and sell those in the local market.

So, the government should not stop or impose any duty on raw jute exports now for the sake of the industry, the association said.

They also wanted the government to take necessary steps to bring back the exporters who left the sector because of the losses caused by the gradual closure of foreign markets.

They proposed the inclusion of the raw jute exporters in a list of industrial sectors eligible to get financial assistance from the stimulus package announced by the prime minister following the Covid-19 outbreak in March.

The association also sought for export subsidy against shipments of raw jute.

BB eases payment rules to boost onion import

FROM PAGE B1

The importer, to whom the loan is issued, is the buyer of goods, while the exporter is the seller.

The supplier's credit is a trade credit provided by the supplier itself. It is a sale on credit basis. Import on deferred or usance basis is the example of a supplier's credit.

The credit has to be secured by a payment guarantee from the buyer's bank.

The deferred payment for onion importers will be effective until December this year.

On September 17, the central bank instructed banks to keep the margin on the opening of LCs for onions at a minimum level. Bangladesh Bank said the price of onion is on an upward trend at local markets following the price hike of the key cooking ingredient in international markets.

Prices shot up between Tk 100 and Tk 120 per kg last week after India announced halting onion export to Bangladesh. Just a week earlier it was Tk 40 and Tk 50 per kg.

Yesterday, the local variety was selling at Tk 80 to Tk 90, up 47.83 per cent from a week ago. Imported onions sold for Tk 55 to Tk 70, up 31.58 per cent from last week, data from the state-run Trading Corporation of Bangladesh showed.

"বাঁচাও নদী, বাঁচাও মানুষ, বাঁচাও দেশ"	
গণপ্রজাতন্ত্রী বাংলাদেশ সরকার	
জাতীয় নদী রক্ষা কমিশন	
নদী দূষণ, অবৈধ দখলদারিত্ব এবং অন্যান্য দূষণ থেকে ৪৮, নদী রক্ষা ও নদীর তথ্য ভান্ডার তৈরি ও সমীক্ষা প্রকল্প (১ম পর্ব)	
রূপায়ন তাজ (৩য় তলা), বীরশ্রেষ্ঠীক গাজী গোলাম দস্তগীর রোড	
১, ১/১, নয়পল্টন, ঢাকা-১০০০	
*আরক নং-১৮.২০.০০০০.০১৮.০১৪.০০১.১৮(০২)-৮০৮	
তারিখঃ ১৭ সেপ্টেম্বর, ২০২০ খ্রিষ্টাব্দ	
দরপত্র বিজ্ঞপ্তি	
০১) সংস্থার নাম ও ঠিকানা	"নদী দূষণ, অবৈধ দখলদারিত্ব এবং অন্যান্য দূষণ থেকে ৪৮, নদী রক্ষা ও নদীর তথ্য ভান্ডার তৈরি ও সমীক্ষা প্রকল্প" জাতীয় নদী রক্ষা কমিশন, রূপায়ন তাজ (৩য় তলা), বীরশ্রেষ্ঠীক গাজী গোলাম দস্তগীর রোড, ১, ১/১, নয়পল্টন, ঢাকা-১০০০।
০২) সেবার বিষয়	প্রকল্পের কাজে ব্যবহারের জন্য মাইক্রোবাস ভাড়া।
০৩) ক্রয় পদ্ধতি	উন্মুক্ত দরপত্র পদ্ধতি (OTM)
০৪) অর্ধের উৎস	রাজস্ব খাত (২০২০-২০২১)।
০৫) দরপত্র দাখিল বিক্রির শুরু তারিখ ও সময়	২৭/০৯/২০২০, রবিবার, সকাল ১০.০০ ঘটিকা।
০৬) দরপত্র দাখিল বিক্রির শেষ তারিখ ও সময়	১১/১০/২০২০, রবিবার, বিকাল ৩.০০ ঘটিকা।
০৭) দরপত্র দাখিল এর সময়	দরপত্র প্রক্রিয়াক্রমিক করার ষাঠে ২৭/০৯/২০২০ তারিখ হতে ১১/১০/২০২০ তারিখ প্রভাৎ সকাল ১০.০০ ঘটিকা হতে বিকাল ৩.০০ ঘটিকা পর্যন্ত এবং ১২/১০/২০২০ তারিখ দুপুর ১২.০০ ঘটিকা পর্যন্ত প্রকল্প কার্যালয়ে দরপত্র দাখিল করা যাবে।
০৮) দরপত্র খোলার তারিখ ও সময়	১১/১০/২০২০, সোমবার, দুপুর ১২.১৫ ঘটিকা (অফিস কালাকালী সময়)।
০৯) দরপত্র গ্রহণ ও খোলার স্থান	"৪৮, নদী সন্মীক্ষা প্রকল্প" জাতীয় নদী রক্ষা কমিশন, রূপায়ন তাজ (৩য় তলা), বীরশ্রেষ্ঠীক গাজী গোলাম দস্তগীর রোড, ১, ১/১, নয়পল্টন, ঢাকা-১০০০।
১০) দরপত্র সিডিউল গ্রাফি/বিক্রয়ের ঠিকানা	কিপারকক্ষ, ৪৮, নদী সন্মীক্ষা প্রকল্প, রূপায়ন তাজ (৩য় তলা), বীরশ্রেষ্ঠীক গাজী গোলাম দস্তগীর রোড, ১, ১/১, নয়পল্টন, ঢাকা-১০০০।
১১) যানবাহনের ধরন ও সংখ্যা	(ক) প্রকল্পের কার্যে সার্বজনিক ব্যবহারের জন্য ৮ সিটের ডুয়েল এনিসহ ০২ (দুইটি) মাইক্রোবাস (নোয়া-২০১৫/২০১৬ মডেল) এবং ১১ সিটের ডুয়েল এনিসহ ০১ (একটি) মাইক্রোবাস (টয়োটা হাইসে-মডেল-২০১৫/২০১৬)। (খ) গাড়ি ও ড্রাইভার বাদে চাহিদাকৃত টাকার পরিমাণ পৃথকভাবে উল্লেখ করতে হবে। (গ) মাইক্রোবাসের ড্রাইভার প্রকল্প হতে প্রদান করা হবে। (ঘ) প্রতিটি মাইক্রোবাসের জন্য আলাদা আলাদা সিডিউল ক্রয় এবং আলাদা আলাদাভাবে পূরণপূর্ণক একরে দাখিল করা যাবে।
১২) দরপত্র দাপিতের মূল্য	নগদ ১,০০০/- (অফেরতযোগ্য)।
১৩) দরদাতাদের যোগাভা	১) দরদাতা ব্যক্তি/প্রতিষ্ঠানের হালনাগাদ ট্রেড লাইসেন্স, টিআইএন নম্বরসহ ২০১৯-২০২০ অর্থ বৎসরের আয়কর পরিশোধের সনদপত্র; ভাট নিবন্ধনের সনদপত্র; ব্যাংক সলভেন্সি সার্টিফিকেট ইত্যাদি দাখিল করতে হবে। ২) সংশ্লিষ্ট প্রতিষ্ঠানের কমপক্ষে ০২ (দুই) বর্ষের সর্ববৃহৎ আয়ের অভিজ্ঞতা থাকতে হবে এবং প্রয়োজনীয় দলিলাদি দাখিল করতে হবে। ৩) প্রতিষ্ঠানের নিজস্ব মালিকানাধীন মাইক্রোবাস হতে হবে এবং মালিকানা ও রেজিস্ট্রেশন সনদসহ কাগজপত্রাদি হালনাগাদ সত্যায়িত অটুপিপি দাখিল করতে হবে।
১৪) টেন্ডার সিডিউলটির পরিমাণ (আনেকসিমানি)	ক) প্রকল্প পরিচালক, জাতীয় নদী রক্ষা কমিশনের অনুকূলে প্রতিটি "মাইক্রোবাসের" জন্য আনেকসিমানি হিসাবে ২৫,০০০/- (পঁচিশ হাজার) টাকার পেম-অর্ডার জমা দিতে হবে।
১৫) মাইক্রোবাস ভাড়া সরকারি সমরকাল	জুলা, ২০২১ পর্যন্ত। প্রকল্পের মেয়াদ বৃদ্ধি পেলে ও দরদাতার কার্যক্রম সমাজস্বজনক হলে চুক্তি নবায়ন করা হবে।
১৬) দরপত্রের আবেদনকারী	প্রকল্প পরিচালক, ৪৮, নদী সন্মীক্ষা প্রকল্প, জাতীয় নদী রক্ষা কমিশন।
১৭) দরপত্রের বিজ্ঞপ্তি তথ্যাদি	জাতীয় নদী রক্ষা কমিশন এর ওয়েবসাইটে (www.nrcrb.gov.bd) এবং প্রকল্পের প্রকৌশলটি (www.nccrps.gov.bd) বিজ্ঞপ্তিত তথ্যাদি পাওয়া যাবে।
১৮) অন্যান্য তথ্যাদি	কর্তৃপক্ষ কোন কারণ দর্শানো ব্যতীত সকল/যে কোন দরপত্র গ্রহণ বা বাতিল করার ক্ষমতা সংরক্ষণ করেন।
ইকরামুল হক প্রকল্প পরিচালক (সংশ্লিষ্ট প্রকল্প) ও মুখ্য সচিব দুরাপাশনীঃ ৫৮৩১৪০৯৭	
জিটি-১৪৯২	

Term loans shrink as industries weaken

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Businesses should be allowed to pay only their interest amount for the next year. Then, they will start paying back the principal, he said.

According to the economist, this is not the time to expand business; rather manufacturers and traders should give their all-out efforts to protect existing enterprises from the financial meltdown.

"But we can't be sitting idle. A long-term roadmap should be formulated in the quickest possible time as job creation is largely dependent on the proper implementation of loans," he said.

The downward trend of term loans will not stop this year. However, the disbursement would get a turnaround from the beginning of 2021 if a second wave of the coronavirus infection

could be avoided. Bankers should prepare to restructure their existing term loans so the businesses hit hard by the recession get breathing space, Mansur said.

"The country's GDP growth is still in a contracted situation. So, time-befitting policies will help get back the growth momentum when the pandemic is brought under control," he said.

The central bank has helped businesses by giving out working capital in the form of soft loans, playing a great role in speeding up the recovery, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

Bangladesh's investment has been in a stagnant situation, so there is no scope to fast-track the term loan

disbursement overnight, he said. The entrepreneurs in the medical and pharmaceutical sectors, however, applied for term loans as their businesses have not faced debacle because of the pandemic.

Both the central bank and lenders should cater to businesses so that the recovery of the economy takes place smoothly, Rahman added.

Md Arfan Ali, managing director of Bank Asia, said lenders should extend cooperation to restructure existing term loans.

The readymade garment sector, which received a large portion of term loans, has already made a comeback on the back of the central bank's stimulus package, he said.

"If the recovery persists, the term loan disbursement will get its tempo in the months ahead," Ali said.