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# Saifur in dilemma over black money issue

Finance Minister M Saifur Rahman speaks at a post-budget press briefing yesterday

STAFF CORRESPONDENT

Finance Minister M Saifur Rahman yesterday said he is still against continuing the provision for whitening black money but it was extended for another year to rid the economy of "things" that may create instability and imbalance.

"I admit that I have done injustice. The position I took to discontinue the scopes for whitening black money was right," said Saifur who backtracked on his stance in the proposed budget for 2005-06 presented on Thursday.

"But some issues needed to be readjusted for the sake of the country and people and it [whitening black money) was one of them," the minister explained in his postbudget briefing at the National Economic Council conference room

He said he had already found some bad indications and unhealthy phenomena that might unstable the society if the provision for whitening black money was discontinued

whitening black money would create an imbalance in some other areas, he said without elaborating. But he cited example of a sudden rise in dollar price in the foreign exchange market in the last few

"I have not been influenced by any of my party MPs or colleagues, said the finance minister flanked by his cabinet colleagues at the brief-

ing. He said even they did not know about his decision about whitening Saifur said he had taken the

decision unilaterally. Presently, there is a very little scope for keeping black money within the country. Banks have been instructed to follow a guideline --"know your customer" -- under which they have to ask the clients to

explain the sources of money. "In my judgement I thought it should be continued for another year. I have just proposed it and if the members of parliament think that it should not be continued, I will withdraw my proposal about black

"We have decided to give another opportunity keeping in mind that there are some gray areas where more needs to be done before we stopit," he said.

The minister said the Anti-Money Laundering Act will be enforced strictly in the coming days and another opportunity for whitening black money should be given SEE PAGE 15 COL 1 Ctg Shibir cadre held with AK47

Tk 50 lakh gold

Burglars have looted gold orna-

ments said to be weighing 450 tola

Jewellers on the first-floor shop at

the shopping mall sometime

between 10:00pm on Thursday and

4:00am yesterday. They took away

the ornaments and Tk 1.8 lakh in

prayers to see its locks broken. After

a brief check, I found all the gold

ornaments and the cash I had left

were missing," a policeman yester-day quoted Ali Haidar Khan, owner

Meantime, Dhanmondi police

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arrested 11 alleged robbers and

seized a truck and tools used in

"I went to my shop after Juma

looted from

STAFF CORRESPONDENT

Dhanmondi in the capital.

cash, market sources said.

of the shop, as saying.

city jewellery

STAFF CORRESPONDENT, CIR

Police arrested a listed criminal and Shibir cadre at Hathazari in the district yesterday and recovered one AK47 rifle from his possession.

The arrestee, Dulal Uddin alias Munna, is the second-in-command of infamous Nasir Bahini.

A joint team of police from Hathazari and Fatikchhari police stations in the guise of devotees arrested Munna from Moulana Farrukh Ahmed Mosque at Mondakini under Hathazari after Juma prayers.

Munna is an accused in seven criminal cases, including one for murder. He took the leadership of Nasir Bahini after Yakub and Hamid were killed in a shootout with police

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## A budget of compromise, care and collusion: CPD

STAFF CORRESPONDENT

and worth about Tk 50 lakh from a The Centre for Policy Dialogue jewellery shop at Rapa Plaza in (CPD) has termed the proposed budget for FY06 as one of care, The thieves broke into Jitu compromise and collusion.

"It is a budget of care because it has striven to upgrade some sectors in terms of allocative priority from poverty alleviation consideration," said Dr Debapriya Bhattacharya, executive director of the CPD. "These include the initiatives in health, education, agriculture and rural development. There has been a conscious effort to expand the social safety net programme.

"It is also a budget of compromise with a view to support investment and employment generation. Debapriya continued while giving

ing yesterday. "This has been reflected through recasting of tax holiday provisions, continuation of a number of cash incentive schemes for selected export sectors and rationalisation of tariff and paratariffstructures

"But it is a budget of collusion and the extreme manifestation of this was the extension of the time period of tax amnesty for undisclosed income. It shows a collusion with big interest groups," he

Highly criticising the provision to whiten black money, the CPD executive director said there can never be a bigger fiscal injustice.

The finance minister was against such money-whitening

measures," he said . "Such back tracking by the finance minister will send a wrong signal to the taxpayers and undercut credibility of other fiscal measures.

The independent think-tank, CPD, however hailed a raft of measures mainly for rural development and safety net programmes.

About sectoral allocations, Debapriya said education has rightly been given the highest priority. This together with huge health sector allocation reflects the government's intention to invest in human

The public service with a gigantic growth of 46.2 percent has received the highest increment in expenditure. This, he said, is an example of

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### 'Repeal black money whitening provision'

MCCI gives mixed reaction

STAFF CORRESPONDENT

The Metropolitan Chamber of Commerce and Industry (MCCI) yesterday sharply criticised the proposed continuation of the provision of whitening black money by paying 7.5 percent income tax and called for its repeal.

"Continuation of the scheme will encourage those who have a tendency to amass ill-gotten wealth and will act as a disincentive to the honest tax-payers. It will facilitate money laundering, which is under attack throughout the world," the MCCI said in a statement giving its

reaction to the proposed budget for the next fiscal year.

Noting that the finance minister himself had publicly criticised the scheme, the MCCI said, "It will also cause a setback to our (country's) international image.

The MCCI reviewed the proposed budget at a meeting chaired by its President Kutubuddin Ahmed. Leaders of the chamber and its former presidents Latifur Rahman, SH Kabir and Samson H Chowdhury were present at the meeting.

The trade body however hailed the creation of seasonal unemployment

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#### Ficci sees both positive and negative impact

STAFF CORRESPONDENT

corporate tax for the non-listed companies to 40 percent from 37.5 percent will have a negative impact on investment, said the Foreign Investors Chambers of Commerce and Industry (Ficci) yesterday in its budget reaction.

The proposed enhancement of

Restriction on admissibility of royalty and technical know-how fees up to 2.5 percent of profit is discouraging for foreign investors, the Ficci

Instead of raising such limit in line with the Board of Investment : (Bol) guideline, the new budget proposes for enhancement of tax SEE PAGE 15 COL 6

#### BSF guns down Bangladeshi in Thakurgaon

UNB, Thakurgaon

A Bangladeshi national was gunned down by the Indian Border Security Force (BSF) at a frontier village under Baliadangi upazila early The dead was identified as Zahid

Ali, 19, son of late Moulabox of Churaygati village The Indian border guards fired

on Zahid while he was irrigating his cropland near pillar no379 pillar. Zahid died instantly. The BSF men then took away the body.

Colonel Motafizur Rahman, commander of 20 Rifles Battalion, said the BSF men handed over the body after a company commanderlevel flag meeting yesterday after-

## Money whitening will rather encourage corruption: ACC

JULFIKAR ALI MANIK

Opposing the extension of time limit for whitening black money as proposed in the new budget for the next fiscal year, the Anti-Corruption Commission (ACC) yesterday said it will not help combat corruption, rather it might aggravate the situa-

ACC Chairman Justice Sultan Hossain Khan said such a provision will not be conducive to creation of a corruption-free environment.

"It will be better if the provision does not continue under the new budget, and I hope it will not continue in future," Sultan told The

Repeated extension of time to whiten black money may escalate

The anti-graft watchdog at a meeting on May 12 decided to ask the government not to keep any provisions in the new national budget for whitening black money. The commission believed that such provisions benefit corrupt people, the meeting said.

corruption further.

In the proposed budget, Finance Minister M Saifur Rahman sought extension of the time limit up to June 30 next year for whitening black money by paying 7.5 percent income tax. The existing opportunity of investing such money with-ACC Commissioner Prof M out any explanation is due to expire

In his budget speech on Thursday, the finance minister said "We are given to understand by different quarters that there is still a huge amount of undisclosed income in the country. We presume that a good number of people are holding such undisclosed income, who, for some reasons or other, could, not avail themselves of the

The ACC chairman had earlier said, "It is not fair that corrupt people are getting immunity by paying lump sum money in taxes." It is a clear violation of Section 26 of the ACC Act, he mentioned.

Section 26 empowers the ACC to SEE PAGE 15 COL 1

Non-govt primary

Some 92 thousand teachers of non-

government primary schools across

the country will observe an hourlong work abstention today, demanding nationalisation of their

The announcement of the work abstention programme, which

11:00am at 23 thousand primary schools throughout the country, came from a protest rally in the

Besides, in protest at the 'no mention of their demands in the

proposed budget for FY 2005-06', the primary school [non-

government) teachers will form a

human chain in front of the High

Court on June 30, and hold monthlong demonstrations and rallies in

During the month-long programmes, they will also submit memoranda to Prime Minister

Khaleda Zia through deputy com-

Hundreds of teacher representatives from 35 districts joined

SEE PAGE 15 COL 7

all than as, starting from July 1.

capital vesterday.

teachers start

STAFF CORRESPONDENT

agitation today

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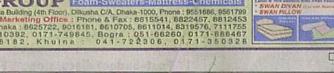
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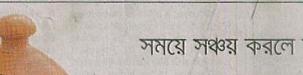
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