

CIC to trace VAT, duty evasion

REJAUL KARIM BYRON

The government has empowered the NBR central intelligence cell (CIC) officials to find out how taxes on import duty and value added taxes (VAT) are evaded.

Central intelligence cell officials will now have the legal authority to summon documents, examine their computers and even raid offices, which they might suspect of evading import duty and VAT.

A law in this regard has been introduced on June 9 and a directive in this connection has already been sent to the concerned VAT and import department.

From the next year the government is therefore involving CIC in VAT and import duty evasion cases.

An NBR circular said that to serve the purpose of section 24 of the VAT act of 1991, Director General, Joint Director General and Deputy director General of CIC will now act as the VAT officials.

An NBR official explained that the new law has now authorised CIC officials to raid any offices suspected of evading VAT and check any information and seize any documents for examinations.

An NBR source said, the coverage of VAT has not been expanded, but by stopping or curtailing VAT evasion cases the government is planning to raise its VAT earning.

In the directives in this regard sent by the NBR to the VAT officials explained that since its introduction in 1991 the VAT system has undergone numerous amendment and corrections over the last 14 years. What is required now is not increasing the VAT base and its coverage, but discipline and transparency in the system. The need of the day is to simplify the tax pay system and emphasise on the implementation of VAT laws and regulations.

An amendment in the Customs Act 1969 has included officials of Central Intelligence Cell of the National Board of Revenue, Civil

Aviation Authority of Bangladesh, Chittagong Port Authority, Mongla Port Authority, Land Port Authority, Registrar of Joint Stock Companies, Departments of narcotics control to assist the duty officials. The NBR directives sent to Commissioners and DGs of import tax department conveyed this amendment.

These government agencies will act combine to stop import duty evasion incidents and CIC will play the major role here.

In the current fiscal year though the import growth has been recorded at 26 percent until March the import duty collection during the same period has increased by only 11 percent.

An NBR source said that apart from other reasons large scale duty evasion has also been responsible for this.

The government empowered the CIC to find out income tax evasion cases last year and the CIC officials have unearthed tax evasion incidence worth Tk 700 crore. The CIC has been rewarded with Tk 35 lakh for their good performance. In the coming fiscal year the incentive may be raised. Besides, CIC's manpower is also going to be doubled from next year.

First ODI

FROM PAGE 16

3:45pm BST.

Coach Dav Whatmore, whose team are bottom of the world one-day rankings, said his side were hoping for more success than they had in the Test matches.

"In the shorter version, the game can swing around a little bit and one of our objectives is to have it swing our way."

BANGLADESH SQUAD
Habibul Bashar (captain), Javed Omar, Nafees Iqbal, Tusshar Imran, Mohammad Ashraful, Afrab Ahmed, Khaled Mashud, Khaled Mahmud, Mohammad Rafique, Nazmul Hossain and Mashrafe Mortuza.

Ground water depletion led to Jessore crack

OUR CORRESPONDENT, Jessore

A geological survey team has identified the cause of the crack developed on the earth surface of two villages under Jessore Sadar upazila as indiscriminate extraction of underground water and the adverse effect of the Farakka Barrage.

The three-member team led by Assistant Director of the Geological Department Kamrul Hassan conducted its survey for two days and identified the cause.

Meanwhile, a similar crack stretching about 100 feet has developed in the house of one Shamser Sana of Mirzanagar village under the upazila.

The farmers of the 10 districts in the southwestern region use 2 lakh 92 thousand 253 pumps including 2,770 deep tube-wells, 2 lakh 60 thousand 160 shallow tube-wells and about 20,000 other pump machines to irrigate their 6 lakh 36 thousand 866 hectares of land throughout the year.

CTG AMMO HAUL CASE Statement recording date shifted

UNB, Ctg

A court here yesterday shifted the date for recording statements of witnesses in the Chittagong Urea Fertiliser Ltd (CUFL) jetty arms haul case to July 6. Metropolitan Sessions Judge Md Anwar Hossain shifted the date as the main accused in the case, Dildar Hossain, fell sick in jail.

Police and coastguards seized 10 truckloads of arms from the CUFL jetty on April 1, 2004. Later, the officer-in-charge (OC) of local police station filed the case against 43 people.

"Of them, 14 are now in jail, 16 were released on bail and the remaining 13 are absconding."

Uproar at court

FROM PAGE 1

under the bailable section, but he refused to take up the petition for hearing.

Advocate Zahurul Islam submitted a bail petition and told the Court of Second Class Magistrate, Dhaka that his client's health has deteriorated so much so that she may die anytime. He also said the charge brought against her is bailable.

But Second Class Magistrate Khan Mohammad Rezaun Nabi refused to take up the petition for hearing. He asked the lawyers to place the petition on June 18, as his superior Court of First Class Magistrate, Dhaka on Tuesday fixed the day for further hearing.

Angered at the court order, Bidisha's lawyers pressed the magistrate to pass an order, either granting or rejecting the bail petition.

"No judge has the right to play with the life of a justice seeker who is behind bars in a dying condition," Zahurul said.

The lawyers told the magistrate when he started writing the order that the relation between the Bar and the bench will deteriorate if he stuck to his decision.

They also told him that his attitude towards the case gives the impression that he is the complainant of the case. The magistrate will be held responsible if anything terrible happened to Bidisha in jail, they added.

The lawyers also threatened to file a case against the magistrate under the section 211 of the Bangladesh Penal Code if he does anything extrajudicial.

As the magistrate started hearing another case without delivering an order, the lawyers remained standing before him, compelling him to leave the courtroom under police guard.

Earlier on Tuesday, Bidisha's counsels moved a petition for her bail in the cheating case, saying the case aims to harass her.

"She did not hide any information or cheat on Ershad," Advocate Zahurul, one of the counsels, told the Court of First Class Magistrate, Dhaka.

Slash call

FROM PAGE 16

The government this fiscal year collected import duty from only 6.26 lakh mobile handsets against some 23 lakh SIM cards sold between July 2004 and May 2005. It caused the government a revenue loss of Tk 128 crore, NBR officials said.

They said the rest 17 lakh mobile phone sets were smuggled into the country.

Khairuzzaman said the licence fee of mobile phone operators in Pakistan is \$250 million while in Bangladesh there is no licence fee. "They pay such a huge amount for licence but offer much lower call rates. How can they do that?"

The NBR chairman also criticised the cellphone companies for not providing their subscribers with quality service.

"They government is losing huge amount of revenue in this sector," an NBR official said justifying the proposed tax on SIM card.

The NBR projected a revenue income of Tk 1,000 crore from the sector in the fiscal year 2005-06, of which Tk 300 crore will come from SIM cards and the rest from VAT on call charges and other value-added services. The target has been fixed with a projection that some 20 lakh new mobile connections will be sold in 2005-06.

The government earned about Tk 100 crore from import duty on mobile handsets and Tk 480 crore from other features of the sector until May of the current fiscal year.

The NBR has set a tariff value of Tk 2,172 for SIM, RUIM or similar microchip technology. The Tk 1,200 tax has been fixed on this tariff value that includes a 35 percent supplementary duty and 15 percent VAT.

Anti-govt lawyers

FROM PAGE 16

with anyone's diktat", "stop corruption in the judiciary", and "Our movement will continue."

Explaining the rationale for the human-chain programme, Supreme Court Bar Association (SCBA) Secretary Advocate Enayetur Rahim told The Daily Star, "The court in its order prohibited those activities that hamper administration of justice. Our issues are different, these are out of the purview of the court's order. The court in its order categorically mentioned three issues for not holding agitation."

On May 23, a High Court bench issued a suo moto order banning all types of agitation by the lawyers on the court premises.

The HC order had prohibited the lawyers from engaging in any activities which may interfere with the administration of justice or operation of any court of law in Bangladesh or restrict or limit access of all persons to the courts, their administrative officers and their precincts.

It also barred them from bringing out or holding any procession, rally or forming human chain or staging sit-in strike on the Supreme Court premises or any court premises in the name of any forum or organisation or Bar Association.

"This injunction shall particularly be binding upon all advocates practising in any courts of law in Bangladesh and further that in the

event of any breach by anyone of this order, proper steps to enforce this order shall be taken including proceedings for contempt of court and in the case of advocates," the order further said.

Meanwhile, pro-government lawyers' leader and ruling BNP's Law Secretary Advocate Joydul Abedin in his reaction to the human-chain formation said, "All the Supreme Court lawyers including us are aware of the court's suo moto order. The court gave the order after observing different statements regarding the ... So, we should not do anything that tarnishes the image of the court and if anybody does so, the court will take care of it."

The human chain was formed at around 1:00pm and the participating lawyers vowed to continue with their agitation for the fulfilment of their demands.

They alleged a quarter is trying to sour the relationship between the court and the Bar.

The agitating lawyers said their movement is not against any individual, instead it has been waged in the interests of the judiciary.

Barrister Amir-Ul-Islam, former SCBA presidents Advocate Abdul Baset Majumder and Barrister Ozaer Faruk, and the incumbent SCBA secretary addressed the participants of the human chain.

Fake medicines reign

FROM PAGE 1

copies of a drug named Cavinton used for brain haemorrhages. The fake Cavinton was found to lack one of the main chemical ingredients of the real drug. Cavinton costs around Tk 300 to 500 tablets compared with Tk 130-150 for the fakes.

Many fake drugs are usually of no therapeutic value. The side effects, however, can be extremely harmful. "The direct impact could be life threatening to the patient," said Dr. Nezam Uddin Ahmad, of Bangabandhu Sheikh Mujib Medical University. There are also harmful indirect impacts, he added, saying doctors may not be able to accurately prescribe medicines since the dosages are altered, which can lead to prolonged illness or even a failure to cure a disease.

The government's drug testing laboratory at Mahakhali identified 62 fraudulent and sub standard copies of life saving drugs, including Amoxycillin, Tetracycline, Paracetamol, Cephexine.

"We identify a number of substandard and fake copies of drugs every year and send the report to the Drug Administration. They are the authorities to take actions against the culprits," said Dr. Zahurul Islam, the head of the public health and drug testing laboratory.

Most fakes are made by dishonest pharmacists, according to industry sources. But some small pharmaceutical companies also appear to be involved.

In 2001 the government cancelled the licences of 44 small companies for producing counterfeit drugs. It is not known, however, how many were prosecuted. Twelve others were restricted to producing particular items. But the clampdown has not stopped the practice.

"Those fake or substandard medicine producers are not paying taxes to the government. They are posing a health risk to the people. The government should take necessary steps against them," said one member of the Drug Industries Associations.

The Drug Administration occasionally raids Babubazaar, the country's largest drug market, and seizes illegal products. Sources in Babubazaar said at least 15 kinds of counterfeit drug brands are available, including counterfeit versions of Periclin, Cavinton, Pathaydin, Kenakta Vayal and Eldakton. Unscrupulous traders also put patients at risk by selling drugs that have crossed their expiry dates. In most cases, they merely change or cover up the original expiry date on the packet.

In big cities, many if not all most of the pharmacies sell authentic medicines, but the situation is far worse in village pharmacies, experts warn.

"Sometimes we get samples from the suburban areas or from remote villages. Most of them are substandard medicines. Those pharmacies are cashing in almost without any monitoring," said an officer from the drug testing laboratory.

Counterfeiting flourishes because of poor government supervision of the pharmaceutical industry. The government has only two testing laboratories and 34 drug supervisors for the entire country, 15 for the head office.

Drug Administration officials maintain that they are doing their best. "We are active within our limited manpower to free the market from counterfeit medicines. Whenever we get information we immediately take action," said Dr. Abdul Hakim, Assistant Director of the Drug Administration.

The leaders of the Druggists and Chemists Association disagree. They say the government is not doing enough to control the illegal manufacture and trade of drugs, and that many officials have been bribed to allow fake drugs onto the market. One source cited officials from the Drug Administration as the main culprit in the counterfeit trade.

"Some of our traders sell fake drugs, it is true. But the Drug Administration should be blamed as they let the fake medicine producers produce those medicines," said Sadequr Rahman, President of the Druggists and Chemists Association. "They should inform us

about those substandard products, which are prohibited, or about those companies whose licenses are cancelled. But they do not do that," he said.

He continued, "We want to stop selling those fake medicines and initiated several meetings with Drug Administration officials. But they are reluctant to do anything," he added. "Rather one staff from the Drug Administration collects money from the fake drug traders everyday," he said.

Professor Habibur Rahman, the director of the Drug Administration, refused to make any comment about the issue when this correspondent went to his office.

Int'l HR

FROM PAGE 16

"We all know what situation Bangladesh would face in the future with regard to growing religious intolerance," said Hassan.

Three leading human-rights organisations in Bangladesh – Ain o Salish Kendra, Bangladesh Society for Enforcement and Human Rights, and Bangladesh Legal Aid and Services Trust -- organised the discussion.

Hassan also suggested that the government immediately lift the ban on Ahmadiyya publications since such ban is contrary to the country's constitution and freedom of expression. He said it would be a great tragedy for Bangladesh if it followed the path that Pakistan approached.

Referring to the Ahmadiyya community's vulnerability in Pakistan, he said the Ahmadiyyas was declared minority in Pakistan and if an Ahmadiyya mosque comes under attack there, one has to refer it as a "place of worship" instead of "mosque".

He slammed the government indifference to the removal of signboards from Ahmadiyya mosques by religious fanatics. "The matter (signboard removal) will not end there, rather its implications would be far reaching and that is why the ban on Ahmadiyya publications is so worrying," he noted.

"The more you institutionalise the discrimination, the more the situation would go beyond the control of the government, resulting in a grim future for the country," he added.

Asked about the Ahmadiyyas' missionary activities, Hassan said one is free to preach and free to convert.

Brad Adams, executive director of the Asia Division at HRW, told the discussion that growing religious intolerance in Bangladesh concerns the public.

On the Ahmadiyya issue, he said, "We try to raise the issue before it becomes critical. Let us control it (discrimination against Ahmadiyyas) now before it reaches to the extent of uncontrollable."

Adams, however, said religious intolerance is growing not only in Bangladesh, but also in many parts of the world. The Human Rights Watch would release a report on discrimination against Ahmadiyya community in Bangladesh in order to make the people understand the rising religious intolerance in the country.

It was learnt that the report titled, "Breach of Faith: Persecution of the Ahmadiyya Community in Bangladesh", blamed the current BNP-led four-party coalition government for the situation.

"While the police have generally provided protection to [Ahmadiyyas] against mob violence, the current Bangladesh government has aligned itself politically with groups and individuals inciting violence against [the Ahmadiyyas]," the report observes.

The HRW report also says the International Khatme Nabuwat Andalan, an organisation of Islamist groups, enjoys blessings of the ruling BNP as well as its coalition partners Jamaat-e-Islami and Islami Oikya Jote.

The report details acts of intimidation, harassment and violence against the Ahmadiyyas since October 2003 and says Bangladesh government has failed to effectively investigate such abuses and prosecute those responsible.

BUDGET DISCUSSION JS witnesses unlimited speeches

STAFF CORRESPONDENT

Speaker Jamiruddin Sircar yesterday allowed freestyle speeches of the back-bench members of the treasury bench in parliament, apparently to cover the time allocated for discussion on the proposed budget for FY2005-06.

Only three lawmakers, two from BNP and one from Jamaat-e-Islami, took part in the discussion on the budget during the 125-minute sitting. The speaker did not give them any time limit, rather allowed lengthy speeches.

The speaker allocated 34 hours for discussion on the budget which is likely to be passed on June 30. As the main opposition is boycotting the session, the speaker granted the treasury bench members unusually long time to discuss.

In the budget discussion the speaker gives a lawmaker a certain time limit to finish his speech and the back-bench members usually get shorter time. But yesterday, the speaker asked them to set their own time and continue their speeches.

BNP lawmaker Dr Rustam Ali Farazi took 65 minutes, his party colleague Mozammel Haq 25 minutes and Abdul Khaleq Mandal of Jamaat 35 minutes. But their discussions could hardly draw the attention of other lawmakers present at the House. Most of the members were seen talking among themselves.

The finance minister was not present at the House. A senior minister signalled to Farazi to stop when the lawmaker was continuing to deliver his speech after more than an hour.

Earlier, the session began without quorum and at least 10 minute behind schedule. Only 42 lawmakers were present when the speaker entered the House at 5:40pm. The number did not cross 92 until the adjournment at 8:30pm.

JP to join

FROM PAGE 1

liamentary election.

The party presidium decision brought an end to the month-long speculation inside the party as well as the political arena that the JP might join the ruling alliance and that its three senior leaders are likely to be incorporated in the cabinet of the coalition government.

"We will join an electoral alliance in due time, but not at this moment. I will discuss and seek all of your opinions while taking such a decision," sources said, quoting JP Chairman HM Ershad as saying to his presidium members at the meeting.

Ershad, however, did not name any political alliance at the meeting.

The presidium gave all authorities to the party chairman to take any decision for running the party.

Ershad at the meeting also explained the latest political situation that has developed centring around his estranged wife Bidisha.

The JP chairman admitted that he was under pressure from the government due to his pending cases. But he is not facing any additional pressure regarding Bidisha, he added.

Ershad said he decided to divorce Bidisha due to the prevailing situation. "I had no intention to divorce her, but when I came to know that she had applied for the citizenship of England and she has Tk 40-50 crore in different banks, then I asked her to quit my family, but she refused and then I decided to divorce her," Ershad said.

Almost all lawmakers and presidium members except Rawshan Ershad and Kazi Firoz Rashid attended the meeting held at the party's Banani office.

Thomas' remarks

FROM PAGE 1

into our affairs," Jallil told the news agency when asked to comment on Ambassador Harry K Thomas's forewarning that people would look for alternative if major parties did not work together on issues of national interest.

The AL leader said the US envoy keeps mum when the ruling party resorts to repression on the opposition, files "false" cases against his party leaders and workers and when the government fails to hold an appropriate investigation into the grenade attacks and the opposition is not allowed to speak in parliament.

"How could there be consensus if the government does not show restrained behaviour with the opposition," Jallil said. "Under the circumstances there cannot be any understanding with the government from our principled stand," he added.

He said understanding and consensus come through discussion, but Awami League would not go for any understanding with the party in power by surrendering anything.

On 'alternative' force, Jallil said he should not be concerned about that, as Awami League believes in the strength of the people who are the source of all power. It is the people who will take the right decision considering national interest.

Mobile operators

FROM PAGE 1

pany said the finance minister has misinterpreted the issue of incoming call charges of the private operators.

"We have incoming charge for calls coming from BTBB land phones as BTBB has not made any tariff agreement with us," he explained.

When a cellphone subscriber makes a call to a BTBB phone, he has to pay to both the mobile company and the BTBB (Bangladesh Telegraph and Telephone Board).

"If BTBB enters into an agreement with the private mobile phone operators, the incoming call charges could be withdrawn," a top executive of a mobile operator said.

He mentioned that the private fixed phone operators have made a deal with the mobile companies. So the fixed phone subscribers do not have to pay incoming call charge.

Moreover, BTBB does not have adequate inter connectivity facility, he added.

Grant LDCs duty-free

FROM PAGE 1

ilities at home and South-South priorities.

She said the fundamental challenge for the South remains one of coping with the thrust of globalisation.

"We had high hopes that globalisation would benefit developing countries by raising incomes and standards of living. Sadly, this has not happened. The stark fact is that with each passing day, the poor are becoming poorer," she noted about the disparate world order.

She said reverse transfers of resources continue and foreign direct investment reaches only a select few. "Our share in world trade is minimal, as borders close around us. The mounting debt burden cripples development efforts," she regretted.

Khaleda observed that an international environment conducive to development, market access, capacity building, transparent international financial order and long-term predictable flow of financial resources to the South were yet to firm up.

Terminology trade as the most important pillar of globalisation and principal engine of economic growth, she said an open, rule-based and democratic trade regime is still a distant cry.

LDCs accounted for only 2-3 percent of world exports in the 1960s, and their share had since fallen steadily, she mentioned.

Khaleda made a strong plea for complete duty and quota-free market access of all products of the least developed countries. She commended those who have already provided such access and encourage others to follow suit immediately.

She suggested removal of behind the border barriers, assistance to overcome supply-side capacity constraints of LDCs, "Aid for Trade" through vertical and horizontal diversification of products and strengthening of infrastructure that will provide critical support for the LDCs.

Khaleda reminded the conference that the UN Millennium Declaration 2000 reinvigorated the cause of development, which had been earlier ignored.

It constitutes a new bill of rights for the world's poor with its clan call to halve the proportion of hard-core poor by 2015 and represents a moral obligation of the international community and a serious pursuit of global cooperation.

Khaleda also noted that in the declaration minimum targets have been set for reducing hunger, achieving universal primary education, eliminating gender disparity, reducing child mortality, improving maternal health, combating killer diseases and ensuring environmental safety.

"Above all, it carries the promise of a global partnership for development. Unfortunately, progress in achieving the MDGs has been uneven. Their full realisation needs greater will and determination of all," she told the summit leaders.

Khaleda stressed the requirement of much higher funding for materialising the plans.

She regretted that the actual performance in conformation to the ODA target remains dismal, as "the gap between additional assistance required and actual disbursement is huge".

In any case, the provision of adequate resources for the world's poor cannot be covered by ODA alone—a new financial arrangement for the poor is needed.

"The feasibility of innovative financing such as the proposed international finance facility and global taxation for aid should be explored as steps for regional funding. The Paris High Level Forum on Aid Effectiveness in March 2005 made some important recommendations. These need to be followed up," she said.

Dwelling on the domestic front, the prime minister informed the summit that Bangladesh achieved commendable progress in six broad

areas. These are sustained economic growth of over 5 percent annually over the last 20 years; visible impact of improved per capita income in reducing poverty; maintaining and increasing food security; enhancement of disaster management capacity and resilience; gradual improvement in human development index; and successes in key social sector and health outcomes.

"In more specific terms, the Bangladesh economy, despite the devastating floods of 2004, and the end of the quota regime since January 2005, is poised to attain a GDP growth rate of 5.3 percent in the current 2004-05 fiscal year," she said in her presentation.

Khaleda said the progress in social sectors of Bangladesh has been even more dramatic and mentioned the successes in education, health and women empowerment.

She pointed out two serious constraints that confront Bangladesh immediately—the long-term impact of quota withdrawal on the RMG sector and the rising oil prices. "These are likely to severely affect our agriculture and export growth," she said.

Detailing on the South-South cooperation, Khaleda said the group represents unity in diversity which is a strength if the complementary of the economics can be tapped.

"Some forward moves have been made but much more need to be done," she said, adding that the scope for doing so has been spelt out in a variety of sources, including the action plans that have emerged from Marrakesh, Doha, Dubai and Havana summits.

Secondly, she cited ideas that have emanated from a variety of recent meetings and reports ranging from the Asian-African Summit in Jakarta in April 2005, the Shanghai Conference on Scaling-up Poverty Reduction in May 2004 and the Report of the South Asian Commission on Poverty Alleviation in January 2004.

"They have set priority-wise agendas, identified key institutional and financing mechanisms and recommended areas for sectoral cooperation, public-private partnerships and establishment of lines of credit for South-South trade," she said.

Khaleda, in her deliberation, thanked Emir Sheikh Hamad bin Khalifa Al-Thani for his generous hospitality and for the wonderful arrangements made.

She also paid rich tributes to Prime Minister Patterson for his leadership in advancing the cause of the South.

The Doha Summit will adopt a political declaration and a plan of action, which were intensely negotiated at the senior officials and expert levels and approved by the G77 foreign ministers.