

SEC fines DSE stock dealer

BDNEWS, Dhaka

The Securities and Exchange Commission (SEC) yesterday fined a stock dealer Tk 2 lakh for not paying the dues to its customers.

The SEC, in a statement, said the Md Ali Hossain & Co, a stock dealer of the Dhaka Stock Exchange (DSE), did not pay the shares and other receivable dues to its customers in a stipulated period, which is a violation of securities law.

The regulatory authority fined Tk 2 lakh and instructed the dealer to pay the amount within 15 days, the statement said.

Beximco Textiles' Yellow outlet opens in Karachi

BDNEWS, Dhaka

Beximco Textiles Ltd, an export-oriented company of Beximco Group, has set up an outlet of 'Yellow', an exclusive fashion house of the company, in Pakistan Tuesday.

Pakistan Senate Chairman Mohammad Mian Soomro inaugurated the outlet in Zam Zama area in Karachi, according to a press release.

Bangladesh's Deputy High Commissioner to Pakistan Mohammad Abdul Hannan, Beximco Group Chairman ASF Rahman and Beximco Textiles Chief Executive Officer and Group Director Syed Naved Husain were also present at the inaugural ceremony.

The company has already opened Yellow outlets at Gulshan, Bashundhara City shopping mall and Dhanmondi in Dhaka. The company will also open Yellow outlets in Seoul, Dubai and other foreign, the release added.

SEC to amend rights issue rules

Bid to safeguard investors' interest

SARWAR A CHOWDHURY

In a bid to safeguard investors' interest, the Securities and Exchange Commission (SEC) yesterday decided to make an amendment to the Rights Issue Rules.

As per the proposed amendment, a company will have to hold an extraordinary general meeting (EGM) before getting the SEC approval for setting the record/book closure date. And after getting the SEC clearance the company will have to hold another EGM for offering rights share.

Under the existing rules, at one EGM companies offer rights shares to their shareholders and set the record/book closure date before

getting the SEC approval.

But, such rights share issue declaration pushes the prices of the companies' shares up.

SEC sources said investors, who buy the shares at high prices before the record/book closure date of a company, are affected badly when prices dip following the company's failure to get SEC nod to issue rights shares.

Under the new system, investors will be able to know beforehand whether they will get the rights offer or not, an SEC official said.

The capital market watchdog has initiated the move following rejection of some companies' rights offer due to

non-compliance of rules.

The provision, one of the changes the SEC is planning to bring in, will remove the confusions arising out of recent rejections of the companies' rights offer.

The changes in the rules will wipe out the scopes for uncertainty and protect the investors from abrupt losses, the SEC official hoped.

The capital market regulator recently rejected the rights offer of Uttara Finance Ltd, Social Investment Bank Ltd, National Credit and Commerce Bank Ltd and Central Insurance Ltd due to non-compliance with Rights Issue Rules 1998.



Prime Minister Khaleda Zia presides over a meeting of the Executive Committee of National Economic Council (Ecneec) yesterday in Dhaka. The Ecneec meeting approved 14 new development projects involving Tk 3,314 crore.

Talks begin on merging Japan's govt banks

ANN/THE DAILY YOMIURI

The Japanese government started deliberating a plan Saturday to integrate at least six of the eight government-affiliated financial institutions into a single entity, following postal privatisation reform, sources said.

As for the remaining two, Shoko Chukin Bank will be privatised and Japan Finance Corporation for Municipal Enterprises will be converted into an institution jointly capitalised by local governments.

Postal privatisation is described as

reforming the flow of funds into state coffers, whereas the government sees integrating the institutions, which control the so-called exit of such funds, as a major step toward realising small government.

The government will consult with the ruling parties on the issue, aiming to include the plan in basic reform policies to be drafted in November by the Council on Economic and Fiscal Policy chaired by Prime Minister Junichiro Koizumi.

The six institutions are the

Development Bank of Japan, Japan Bank for International Cooperation, Japan Finance Corporation for Small and Medium Enterprise, National Life Finance Corporation, Agriculture, Forestry and Fisheries Finance Corporation and Okinawa Development Finance Corporation.

The DBJ will cease extending loans to large companies in principle, and the new institution will take over financial technology development and extending loans to midsize companies, the sources said.

The new institution will take over JIBC loans for the development of natural resources and other limited projects in developing countries.

JIBC's role in handling official development assistance will be taken over by the new institution or placed under the direct command of the Prime Minister's Office.

Japan Finance Corporation for Small and Medium Enterprise, National Life Finance Corporation and Agriculture, Forestry and Fisheries Finance Corporation will transfer their functions to the new institution after they have been streamlined.

Okinawa Development Finance Corporation will become a local branch of the new institution.

Wal-Mart maintains October sales forecast

REUTERS, Chicago

Wal-Mart Stores on Saturday maintained its October sales forecast and said demand was strongest in the US Southeast, where Florida residents were bracing for Hurricane Wilma.

On a recorded message, the world's biggest retailer said it still expects a 2 percent to 4 percent increase in October sales at its US stores open at least a year -- a key retail measure known as same-store sales.

Demand for food outpaced general merchandise sales.

The retailer, which said 10 of its stores remained closed due to severe damage from Hurricanes Katrina and Rita, did not list any store closures related to Wilma.

Wilma clobbered Mexico's Caribbean beach resorts on Saturday, threatening heavy damage and loss of life as it meandered slowly into the Yucatan peninsula.

Wilma was expected to begin hitting heavily populated southern Florida as early as Sunday. While forecasters expect it to weaken by that time, authorities in the Florida Keys ordered tourists out and were considering evacuating the islands' 80,000 residents.

Ecneec okays 14 schemes involving Tk 3,314cr

UNB, Dhaka

The Executive Committee of National Economic Council (Ecneec) yesterday approved 14 new development projects involving Tk 3,314 crore.

Seven of the projects will be implemented by utilising government's own funds while the World Bank, ADB and Japan will provide Tk 1,147 crore in project assistance for the remaining seven.

Prime Minister Khaleda Zia chaired the Ecneec meeting held in the NEC conference room of the Planning Commission.

The meeting over, Finance Minister Saifur Rahman told reporters that the educational institutions would become school-cum-flood shelters through a project approved in the Ecneec meeting.

"Accommodation for the flood-hit people will increase," he said.

Pointing to the power crisis in the country, Saifur said a project has been approved to renovate the electricity-distribution network of Desco that will reduce the electricity wastage.

"Systems loss has increased alarmingly due to weak distribution network," he said.

The projects to be implemented with government's own funds are Reduction of Child Labour Engaged in Risky Work in Bangladesh (2nd phase) worth Tk 29 crore, Chatmohor-Handial-Hamkuria Road Development Project costing Tk 34.30 crore, Construction of Small Bridges and Culverts on the Rural Roads involving Tk 138 crore, and setting up Upazila Livestock Promotion Center (2nd phase) worth Tk 44.77 crore.

The other projects include South Comilla-North Noakhali Integrated Irrigation Project costing Tk 298.48 crore, setting up Deep Tube-well Unit-2 Thakurgaon involving Tk 146.96 crore, and Rural Infrastructure Development 2nd part (Rural Communications and Bazar development and Rehabilitation worth Tk 995.5 crore.

The foreign-aided schemes are Flood Rehabilitation Activities at the Secondary and Higher Secondary

Educational Institutions costing Tk 170 crore (Tk 120 crore project assistance), Construction and Extension of New Grid Substation with Supply Line Facilities Phase-1 involving Tk 966.05 crore (Tk 366.64 crore project assistance), Shunt Compensation at Grid Substation by Capacitor Banks Phase-1 worth Tk 186.32 crore (Tk 72.91 crore project assistance), and Strengthening DESCO's Electricity Distribution Network costing Tk 482.21 crore (Tk 193.69 crore project assistance).

The other foreign-aided projects include Solid Waste Management in Dhaka City (land fills improvement at Matuail) involving Tk 93.66 crore (Tk 46.83 crore project assistance), Reconstruction and Rehabilitation of the Primary Schools Damaged by the Floods in 2004 worth Tk 539.47 crore (Tk 240 crore project assistance) and Char Development and Settlement Project-3 costing Tk 237.91 crore (Tk 107.24 crore project assistance).

China uncovers 240 bank graft cases

AFP, Beijing

China uncovered 240 cases of corruption in its state-owned commercial banks in the first half of the year, with losses totalling 1.6 billion yuan (198 million dollars), state media said Sunday.

The Xinhua news agency, citing a State Banking Regulatory Commission official, said the money stolen from commercial banks from January to June amounted to about half of the country's total sum lost to bank embezzlement.

About 25 percent of the cases involved more than one million yuan (123,500 dollars) each, Xinhua said.

Shen Xiaoming, deputy director of the commission's supervision department, attributed the large number of scandals to bank reforms and improved government efforts to crack down on financial crimes.

The past year has seen an increase in the number of arrests and trials on corruption charges of bank officials, from branch managers to the vice chairman of the state-run Bank of China in Hong Kong.

But the report revealed that graft remains a serious problem in China, even as the government pushes forward with reforms in hopes of getting the top banks listed overseas and improving overall management of the system.

China has 189 banks and more than 30,000 credit cooperatives with total assets amounting to 30 trillion yuan (3.7 trillion dollars).

The big four state-owned commercial banks -- the China Construction Bank, Agricultural Bank of China, Industrial and Commercial Bank of China and Bank of China -- have a combined market share of 55 percent.

Japan must raise sales tax, says finance minister

REUTERS, Tokyo

Japan's 5 percent consumption tax will have to be raised by the next prime minister after Junichiro Koizumi's term ends next September, Finance Minister Sadakazu Tanigaki said Sunday.

Koizumi has vowed not to raise the consumption tax while he is prime minister.

Japan's previous sales tax hike in 1997, from 3 per cent, choked off consumer spending and helped to send the economy into decline.

Asked if Japan's next leader would need to raise the tax, Tanigaki said: "Yes, I think so."

"Whoever, (the next prime minister) may be, the move will be unavoidable," he said on Fuji Television. He made similar comments separately on a programme on TV Asahi.

Debate over what to do about the consumption tax will start next year as part of an overall review of the tax system, Tanigaki added.



PHOTO: STAR

Md Shahjahan, member (Investment Promotion) of Bangladesh Export Processing Zones Authority (Bepza), and Sanjeev Mahtani, managing director of Kwun Tong Apparels Ltd, exchange documents after signing an agreement yesterday in Dhaka. Under the deal, the Hong Kong-based company will acquire 29 industrial plots in Adamjee EPZ to set up its US\$19 million plant. Md Zakir Hossain, Bepza executive chairman, among others, is seen in the picture.

ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle draw was held at ReadyCash Bangladesh office at Dhanmondi in Dhaka on Saturday, says a press release.

Prizes	Name of Winners	Card No
Kamal General Store Free gift box	Md Homaun Kabir	5047980020003852
China Junction Chinese Restaurant Free Lunch/Dinner for two	Md Enamul Haque	5047980000058149
Rainbow Free Lunch/Dinner For Two	Md Liton Uddin	5047980010036108
Monorom free Gift Box	Md Kayum Khan	5047980010036128
Pallabi Computers Free Internet Browsing	Dilruba Islam	5047980000058477

Winners can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. ReadyCash encourages its cardholders to read The Daily Star and the Daily Prothom Alo on every Sunday or call our Customer Service at: 8123850, 8130497, and 8125294-7.