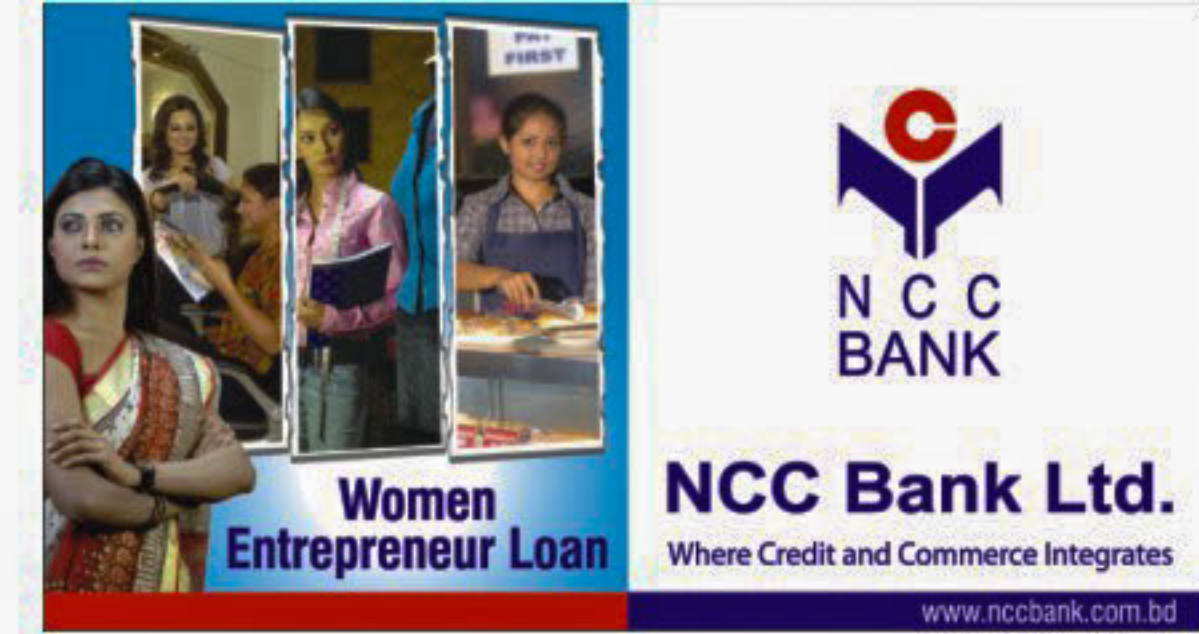


STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
0.28%	0.24%	\$1,659.39	\$106.41	0.59%	1.53%	1.25%	2.63%	81.75	107.55	127.86	0.99	
4,510.91	8,306.26	(per ounce)	(per barrel)	17,919.30	10,050.52	3,026.40	2,391.23	BUY TK	81.75	107.55	127.86	0.99
								SELL TK	81.78	107.60	127.95	0.99

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DHAKA THURSDAY MARCH 15, 2012, e-mail:business@thedailystar.net

Tax cases? Settle out of court

NBR launches alternative dispute resolution system

STAR BUSINESS REPORT

The National Board of Revenue yesterday launched a system to settle tax related disputes out of court.

The system aims to boost revenue collection and clear the backlogs of thousands of tax related cases now pending at courts.

Known as alternative dispute resolution (ADR), the system will help resolve disputes between the tax administration and taxpayers -- both companies and individuals -- relating to income tax, value added tax and customs duty.

The NBR launched the ADR for large taxpayers unit for income tax and VAT in tax zone-1 in Dhaka. The system was introduced to settle VAT related disputes in Dhaka south zone.

The tax collector that had earlier launched the ADR to resolve customs related disputes at Chittagong customs will gradually introduce the system in other areas of the country.

East West University, a private university, has become the first institution that has shown interest to go to the ADR to settle its disagreement with the tax administrator.

"The ADR will be beneficial to you. You will not need to pass days at courts seeking to settle the cases," said Law Minister Shafique Ahmed while addressing a gathering of businessmen and tax lawyers at the inauguration of ADR at Sonargaon Hotel.

The ADR will resolve disputes on the basis of consultation with the taxpayers and the tax authority, not by force, said Ahmed.

The tax administration introduces the ADR, widely practised abroad to resolve disputes, as it finds that around 20,000 cases involving Tk 12,000 crore worth revenue for VAT and income tax remain unresolved at courts.

The minister said delays and backlogs are

ruining the country's judicial system.

"You never know how much time you will need to see the settlement of a case at a court."

Ahmed said the ADR is not the alternative to the existing judicial system.

It is a form of arbitration in which disputes are settled based on consensus, said the minister.

The ADR will also reduce legal and procedural complexities and require less formalities compared to other existing systems.

If a dispute is already at High Court, the tax-

of hassles.

"We have to remain tensed if we have cases at the court," he said, adding that delays in settlement of cases badly impact bank guarantee of businessmen. At the same time, businesses need to pay monthly fees for lawyers, he added. "That's why we don't like to go to court."

The FBCCI chief wanted increased power of the facilitators so that they can play a role in decision making at the ADR.

"We also want to see that the NBR has ensured accountability of the tax officials," he said. Azad said the taxpayers are more conscious now and pay more taxes than before. But still many potential taxpayers remain out of the tax net, he said.

Criticising the lawmakers' advantage of importing duty-free car by lawmakers, Azad said: "We pay taxes and generate employment but others get duty-free cars."

Before a case starts at the ADR, there should be a consensus between taxpayers and the NBR about who will be the facilitator, said Mahbubur Rahman, president of International Chamber of Commerce, Bangladesh.

"The ADR is very much helpful to attract foreign investment. Foreign investors don't want to invest in those countries where there is no ADR system," said Rahman.

Mohammed Farashuddin, former governor of Bangladesh Bank, said if cases are not solved at the ADR, there should be scope for taxpayers to get back their money that is deposited as fees to settle disputes at the ADR.

NBR Chairman Nasiruddin Ahmed said the ADR provides a win-win situation for all.

Former adviser to a caretaker government Rokia Afzal Rahman and lawmaker Shah Jikrul Ahmed along with tax lawyers were also present on the occasion.

East West University, a private university, has become the first institution that has shown interest to go to the ADR to settle its disagreement with the tax administrator

payer will have to come to the ADR by postponing the appeal at tribunal or at the Supreme Court based on permission from the court.

As part of the introduction of the ADR, the tax administrator, in consultation with the Federation of Bangladesh Chambers of Commerce and Industry, has formed a 13-member panel of facilitators.

The panel was comprised of officials of judicial services, chartered accountants, cost and management accountants, tax lawyers and representatives of the apex trade body, FBCCI.

FBCCI President AK Azad said no businessman wants to go to court because it involves a lot

Spectrum fee must reflect govt's tech vision

Telenor boss speaks on 3G technology

ABDULLAH MAMUN

Jon Fredrik Baksaas, president and chief executive officer of Telenor Group, has underlined a balance between spectrum fees and the government's ambition to provide telecommunication services to people.

"We are ready to move on to the next generation technology. There is still a need to find a balance between the spectrum fee and incentives for people," Baksaas said.

He spoke to The Daily Star at the recent GSMA World Mobile Congress 2012 in Barcelona, Spain. He shared his views in brief on third generation (3G) mobile technology that facilitates high-speed data transfer through mobile phones.

"Generally speaking, any government needs to try to strike a balance between spectrum fee and the telecommunication ambition to get good penetration and coverage," said the boss of Telenor Group, the key shareholder in Grameenphone.

"Grameenphone covers 99 percent of the population in Bangladesh. It is running the industry tremendously and makes a significant contribution to the income file of the government."

On the people's ability to afford 3G service in Bangladesh, Baksaas said everything is in evolution. Years ago, it was said that the mobile phone is unaffordable for a great number of people. But people do not say that anymore, he added.

A large number of people in Bangla-



Jon Fredrik Baksaas

desh can afford a mobile; there are still more to come, he said.

"Within those who are connected, there are still people who want to go to the next layer of mobile technology -- which is 3G."

He said, "There are already a huge number of people who use the EDGE protocol. It is a very good data communicator. We also use it when we are in Bangladesh. It works well. But when we talk about the speed factor, we should come to 3G."

EDGE (enhanced data GSM environment) is a mobile technology that provides internet services. Most internet users in Bangladesh use the EDGE technology.

Recently, the Supreme Court of India cancelled 22 mobile licences of Uninor, a joint venture between Telenor and Indian company Unitech, putting its business in uncertainty.

When asked to comment on the issue, Baksaas said, "There is great uncertainty on what will happen in India. Our need is to get clarity on access spectrum. If there is no access spectrum then there will be no progress."

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Stocks end flat

STAR BUSINESS REPORT

The Dhaka Stock Exchange ended flat yesterday as investors sold shares and mutual fund units to take profits.

The benchmark General Index, DGEN, the indicator of the premier bourse, closed at 4,510.91 points, after declining 12.80 points or 0.28 percent.

The DGEN opened the day with a steep rise of over 30 points in the first five minutes of trading to reach the day's peak of 4,560 points, but ended the day on a negative note.

Most of the brokerage houses were loaded with investors despite the rally of the Awami League led 14-party alliance in the capital.

Turnover advanced 1.4 percent compared to the previous day. A total of 0.99 lakh trades were executed, generating a turnover of Tk 320 crore with 6.60 crore shares and mutual fund units changed hands on the premier bourse.

Among the major sectors, telecommunication was the biggest gainer that went up 1.26 percent, while pharmaceuticals lost 0.87 percent, non-bank financial institutions 0.52 percent, banks 0.44 percent and power 0.17 percent.

Beximco topped the turnover leader with 33.87 lakh shares worth Tk 34.50 crore changed hands.

Keya Cosmetics was the biggest gainer of the day at it posted a 6.05 percent rise, while Libra Infusions was the worst loser, slumping by 5.26 percent.

The Chittagong Stock Exchange also declined yesterday. The Selective Categories Index of the bourse lost 0.24 percent or 19.98 points, to end the day at 8,306.26.

Losers beat gainers 46 to 128 with 10 securities remained unchanged on the port city bourse that traded 97.69 lakh shares and mutual fund units worth Tk 39.81 crore in turnover.

Deshbandhu enters rice market

SOHEL PARVEZ

Deshbandhu Group has made a foray into rice milling in a bid to capture a portion of the huge domestic market with growing demand for the staple.

It has set up an automatic rice mill with an 8-tonne milling capacity an hour and aims to export aromatic rice to Europe.

"The domestic market for rice is very big," said Golam Mostafa, chairman of Deshbandhu Group, which is engaged in different businesses including sugar refining, garments, polypropylene woven bags and shipping.

Nearly 3.5 crore tonnes of paddy is produced in Bangladesh a year now. Of this amount, about 2.5 crore tonnes are traded. So there is business prospect, he said.

Mostafa said out of 3.5 crore tonnes of rice that are milled, a huge quantity of rice bran comes as by product. "We also want to make oil through rice bran by establishing another mill as

there is immense potential."

The newly established rice mill by Deshbandhu -- Sahera Auto Rice Mills Ltd -- makes its entry at a time when consumers are more interested in consuming rice milled in automatic mills because of the fine look and fewer broken quantities and inedible substances, such as stones.

In the past decade, several hundred automatic and semi-automatic rice mills were established in various rice producing zones, such as Naogaon and Chapainawabganj, raising competition for the thousands of small and medium husking mills.

In 2005, there were 200 semi-automatic and automatic rice mills. The number tripled to more than 600 last year, KM Layek Ali, convener of Bangladesh Rice Mills Association, told The Daily Star earlier.

Deshbandhu established its auto rice mill in Nageswari of Kurigram, a district in the north.

Farmers in the area produce huge quantities of rice but do not get fair

prices. If they get fair prices, they will feel encouraged to grow more grains, said the chairman of Deshbandhu.

The group will market both coarse and medium grains, processed in the mill, to different parts of the country under the brand Deshbandhu.

The mill now uses a part of its capacity but aims to operate at its full capacity of 8-tonnes an hour after getting an electric connection.

Deshbandhu will market packed rice within packs ranging between one-kilogram and 50-kilogram.

We will open two showrooms in Dhaka so that consumers can buy directly from us, said Mostafa.

"But one of our main targets is to export to Europe," he said, citing a duty-free export opportunity offered by the European Commission to Bangladesh under the Everything but Arms (EBA) rule.

He said the duty-waiver will encourage importers from Europe to place orders with Bangladesh instead of countries such as Thailand.

European importers have to pay as high as \$ 221 a tonne in duties to buy rice from Thailand.

So, buying from Bangladesh at the international market rate will be advantageous for them, said Mostafa.

However, the Bangladesh government has placed a ban on the export of rice. Mostafa said Deshbandhu will appeal for export permission and if it gets permission, it will import the amount that it will export from neighbouring countries. Ultimately, it will take advantage of the duty benefit.

"We will import an amount equivalent to the amount that we will be allowed to export to Europe," said Mostafa. "We will import that quantity in advance."

He said the duty benefit will be the major gain of the company after it imports the equivalent quantity of rice by importing from neighbouring countries.

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