

SUNDAY POUCH

Income tax fair a welcome step

Seal routes for the dishonest and the corrupt to evade taxes

WE welcome the National Board of Revenue's awarding 360 taxpayers with crests and certificates on the National Income Tax Day on Saturday. A weeklong fair to create awareness about tax paying, which begins today in the seven divisional cities and some other districts, also deserves commendation. But are these steps good enough to inject the kind of vigour and a sense of purpose that are required to make tax robber barons pay their dues?

To begin with, Bangladesh has a disproportionately low Tax Identification Number (TIN) holders compared to other countries, which must be increased. More importantly, number of TIN holders at present stands nearly at 35 lakh whereas only 10.56 lakh which constitutes even less than a third of the total number, have filed their tax returns in the fiscal year 2011-12. This huge gulf between TIN holders and their tax returns must be bridged through appropriate legal measures that NBR is empowered with.

Our shock comes from some latest scams that unravel big holes in the tax collection system. Some big business companies such as Destiny, have evaded huge amount of tax money. We also recall the managing director of Hall Mark bragging about his assets being 20 times bigger than the money he 'swindled' from the Sonali Bank. Later, NBR itself revealed after investigation that he had concealed information of FDRs at several banks.

Rampant allegations that a section of unscrupulous tax officials harass regular taxpayers in different phases ranging from obtaining a TIN number to tax returns will also have to be gone into.

The government, or for that matter, the NBR exert pressure on honest taxpayers to pay more or bring other modestly solvent people under the tax net. But they should realize that public confidence in the tax system is at a discount when the corrupt and the dishonest slip through the cracks.

Political withdrawal of cases

Such steps are a dent in law and morality

SINCE the Awami League-led alliance entered office in January 2009, nearly 7,000 cases filed against individuals have been withdrawn at the initiative of the government. It was originally given out that all politically motivated cases filed till December 29, 2008 would be withdrawn because the new government felt that such cases had been lodged to harass certain individuals. Now that nearly four years have gone by since this government took office, we understand so far altogether 6,786 cases have been withdrawn. In a vast majority of the cases, people directly or indirectly linked to the ruling Awami League have been involved. That being the reality, the ruling party cannot exonerate itself of the responsibility of interfering with the due process of law.

The ruling Awami League, of course, has followed in the footsteps of the BNP-led four-party alliance government between 2001 and 2006, when cases against 73,000 individuals were lifted. Under the present political dispensation, as many as 81,000 individuals have had the 'good fortune' of seeing cases lodged against them withdrawn through the intervention of the authorities. In other words, for all the talk of the rule of law being applied in the country over the years, it has been precisely the opposite that has happened with successive governments. Where the Awami League-led government is concerned, the worry is all the more pronounced considering that it came to office on the promise of change. The change has simply not happened. Besides, the manner in which cases have been lifted demonstrates a patent partisanship about the whole process since cases involving opposition politicians have remained untouched. The impression in the public mind is one of the ruling alliance out to punish its rivals through letting the fate of the latter hang in the balance.

The bigger truth is that such withdrawals of cases by administrative fiat are a clear undermining of the criminal justice system. Besides, now that the mandate of the national committee, formed in early 2009 to study politically motivated cases and recommend measures about their withdrawal, has lapsed, it makes little sense for the authorities to keep lifting cases in other areas. And those other areas mean cases of clear criminality such as murder, a gouging out of eyes, embezzlement, et cetera. To what extent criminal cases can have political undertones is something the government has not explained.

We are outraged at such transgressions of the law and morality, for we believe that they badly undermine the weak foundations of democracy we are so assiduously trying to strengthen day after day. Will the government

US presidential election: Battle lines drawn



ASHFAQUR RAHMAN

THE US presidential election will be held on November 6, this year. Whoever wins the presidential race will not

only shape the policies, both domestic and foreign, for the US, but his voice will also be listened to by the rest of the world. Election to the office of the president of the US is a contest for the most powerful post in the world.

It is, therefore, important for all of us to understand where the candidates stand on various issues, so that we are aware of what we are likely to face in the coming years. To start with, let us consider their policies on foreign affairs. President Obama wants to work with multilateral agencies and US allies to achieve US foreign policy objectives. Romney would like to fashion US foreign policy anew that tells the world about the exceptional nature of America. He will act unilaterally if necessary to achieve US goals.

On China, Obama wants to deepen cooperation in economy and trade. He wants more consultations on non-proliferation of nuclear weapons. Romney, however, wants to impose new regulations on Chinese businesses. As a side issue, Romney condemns China's one child policy.

With regard to oil, Obama wants to explore domestic sources to meet energy needs. However, he would like to set strict standards for domestic oil exploration. Romney roots for energy independence through oil drilling, biofuels and nuclear power. The two candidates' views on

national defense are markedly different. President Obama wants to rebalance defense capabilities that are relevant for the 21st century. He, at the same time, will strive to strengthen military partnerships and alliances. Romney, however, is keen to further modernise air and naval forces and the weapons systems, including the US nuclear arsenal. He wants to increase the number of troop and provide funds for them.

On economic matters, Obama will concentrate on how businesses can access capital easily. He will be focusing on increasing rural jobs. Romney wants to make US businesses competitive and also open

after the events in Benghazi, Libya, where the US ambassador was killed when the US Consulate there was attacked last week. The next election event that will put the two candidates to test is the debate on various issues on US TV, which is three weeks away. The debate will give pointers to the voters as to which candidate they think could carry the burden of presidential office for the next four years.

Romney has expressed to many that the most important numbers in the presidential election this time are 23, 47 and 16. Translated, it means that 23 million Americans are out of jobs because of Obama's policies as president. Secondly, 47 million citi-

zens are on food stamps and the country is now \$ 16 trillion in debt. So Romney's trump card in the election is the state of the US economy. However, Obama's camp has made it clear that a Romney win will mean an additional \$ 2000 tax hike on the middle class. And the middle class are those whose incomes are between \$ 200,000 and \$ 250,000 dollars a year.

Curiously, the US president is not elected directly by the people. The popular votes are cast for "electors" pledged to one of the "tickets." A "ticket" is when a candidate runs together with a candidate for the post of vice president. Each US state

Between now and November 6, when voters elect their "electors," events, both within the USA and abroad, can swing popular support from one ticket to the other. The period before the US presidential election is, therefore, a very sensitive time for the candidates.

markets abroad for American goods. The important stance of Obama is about taxes. He wants to provide tax cuts for the American middle class and the working class. Romney, however, seeks larger tax deductions and would like to include those who need to buy their own health insurance.

Today, the various polls, including the Gallup poll, tell us that both the candidates are running neck and neck. Each one's support hovers around 45% of popular votes. Obama, of course, had a slight edge over Romney after his impressive speech at the Democratic Convention. However, that rise in support seems to have dissipated

as downright comical to anybody who has ever read the Bank Companies Act, 1991. The 1991 Act provides that where Bangladesh Bank is satisfied that it is necessary to remove a chairman or director or principal executive officer of a banking company in order to prevent its affairs being conducted in a manner prejudicial to the interests of the banking company or its depositors, it may, after committing its reasons in writing, issue direction that such chairman, director or principal executive officer be removed from his office.

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Directors, which had performed so well over the years and yet, at the same time, defended Sonali Bank's Board of Directors, accused of corruption, by going as far as misquoting and misleading the public about the existing law.

The tale of the two banks and the government's attitude towards them leaves us in a state of quandary: why is the government so harsh on the Board of Directors of a Nobel prize-winning organisation whereas, at the same time, it is so supportive of the Board of Directors of Sonali Bank, under whose supervision a scam worth several billions of taka has taken place? Why is the government consistently and robustly defending and supporting somebody who is accused of corruption?

The answers to the above questions are neither obvious nor straightforward. However, such incidents should not come as surprise at a time when funding for Padma Bridge, a project of national importance, has been cancelled as a result of corruption by government ministers; banking licences have been issued solely on political considerations; a cabinet minister alleged with corruption is being termed as "patriot," and a Nobel prize-winning visionary called a "blood-sucker."

All these ominous signs point to the fact that perhaps corruption is rooted deeper in our government machinery than we are prepared to believe. It also indicates that it is high time we accepted things as they are and evaluate them accordingly. Rather than belittling our respectable and praiseworthy individuals and institutions, we should encourage their success so that we get more Nobel laureates and fewer Hall-Mark scandals in the future.

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A tale of two banks

AHMED ZAKER CHOWDHURY

THE intrinsic truth of the saying "truth is stranger than fiction" has been amply manifested by the government's approach towards two banks -- Grameen Bank and Sonali Bank. These two banks are poles apart in their origins and operating methods. Strangely enough, the Bangladesh government's treatment of these banks cannot be justified in the context of their respective "tales."

Grameen Bank (GB) is a unique organisation and an outcome of the Grameen Project which started in 1976 with the objective of, among others, extending banking facilities to poor women of Bangladesh. The Bank started extending "microcredit," the first of its kind, to poor women who had no collateral to offer as security. Microcredit has since proved to be an important liberating force in societies where women have to face repressive social and economic hurdles to gain self-dependence.

Grameen Project had achieved an exceptionally commendable reputation, both nationally and internationally, under the supervision and leadership of Professor Muhammad Yunus. His passion and contribution as the founder of Grameen Project and the Bank are too well known to necessitate a repetition here.

It should be noted that there was never any allegation of corruption against Grameen Bank. It maintained clean records in all affairs, which were audited by the Bangladesh Bank and also international audit firms. Yet, in 2010, Professor Yunus was removed from the helm of affairs of GB, at the instance of the government, on the pretext that he had overstayed as managing director. He was stripped off his position in an indecent manner despite unprecedented public outrage throughout the country. Sadly, ministers, politi-

cians and vested quarters added to his misery by making personal attacks on him and by spreading rumours about Grameen Bank and its operation.

The Board of Directors of Grameen Bank protested his removal and demanded his reinstatement, but the government remained surprisingly adamant in its position.

After Professor Yunus's removal, the Grameen Bank Ordinance -- the legislation which gave birth to this Nobel winning organisation -- was amended by the government solely with the objective of exercising its influence and power to appoint the managing director. Sonali Bank Limited, on the other

Tk. 38.32 billion loan scam.

When asked for his reaction on the Bangladesh Bank's recommendation, one of the directors of Sonali Bank surprisingly stated that Bangladesh Bank acts according to World Bank's instructions and is therefore blaming Sonali Bank's board for the scam! Even more surprisingly, after having several meetings with directors of Sonali Bank, the finance minister opined that it was not within the Bangladesh Bank's jurisdiction to make such a recommendation!

To set the facts straight, the suggestion that Bangladesh Bank has no power to recommend reconstitution of the Board of Directors of a bank is not only inaccurate but should come

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hand, is a government-owned commercial bank. It had seldom made news till it got itself entangled in the Hall-Mark scandal. The scam was uncovered when a Bangladesh Bank investigation found that the Ruposhi Bangla Hotel branch of Sonali Bank had lent to Hall-Mark Group and five other companies Tk. 35.47 billion between 2010 and May this year on forged documents. Upon inquiry, it transpired that the top management of the bank did not monitor and evaluate the growth in loan disbursement by the Ruposhi Bangla Hotel branch. As a result of these findings, the Bangladesh Bank governor requested the finance ministry to reconstitute the board of directors of Sonali Bank Ltd. for its failure to stop

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THIS DAY IN HISTORY

September 16

1941

World War II: Concerned that Reza Pahlavi the Shah of Persia is about to ally his petroleum-rich empire with Nazi Germany, the United Kingdom and the Soviet Union invade Iran in late August and force the Shah to abdicate in favor of his son, Mohammad Reza Pahlavi.

1970

King Hussein of Jordan declares military rule following the hijacking of four civilian airliners by the Popular Front for the Liberation of Palestine (PFLP). This results in the formation of the Black September Palestinian paramilitary unit.

1982

Sabra and Shatila massacre in Lebanon.