

STOCKS		COMMODITIES		ASIAN MARKETS		CURRENCIES	
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.31%	▲ 1.15%	\$1,710.66	\$88.83	▼ 0.44%	▲ 0.04%	▲ 0.17%	▼ 0.86%
4,574.97	8,897.14	(per ounce)	(per barrel)	18,710.02	9,014.25	3,050.93	2,114.45
				STANDARD CHARTERED BANK			
				BUY TK	80.60	103.34	127.30
				SELL TK	81.60	107.37	131.35
				USD	80.60	103.34	127.30
				EUR	103.34	127.30	0.98
				GBP	127.30	0.98	
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star BUSINESS

DHAKA WEDNESDAY OCTOBER 24, 2012, e-mail: business@thedailystar.net

Legal experts oppose administrators to firms Govt is also working on new companies law

STAR BUSINESS REPORT
Legal experts and chartered accountants yesterday joined the country's business community to oppose the government plan to amend the Companies Act 1994 to appoint administrators to troubled companies.

"It is a threat to the private sector and anti-constitutional as the move will violate the basic rights of citizens," Barrister Tanjib-ul Alam, a Supreme Court advocate. The move deters Articles 40 and 42 of the constitution, Alam added.

"It is not necessary to amend the companies law as the existing law permits appointment of administrators in any troubled company through court order," he said.

The government is simultaneously working on a new law to modernise the legal framework for companies.

Alam, who is helping the government with the new companies act of 2012, said it does not allow the government to appoint administrators, meaning once the act is passed the amendment made to the old law would be invalidated.

The International Finance Corporation, the private sector financing arm of the World Bank Group, and the commerce ministry held a consultative workshop on the new law at Sonargaon Hotel yesterday.

Speaking at the workshop, AK Azad, president of the Federation of Bangladesh Chambers of Commerce and Industry, said the government should not go ahead with its plan to appoint administrators.

It might be used for political purposes

and give means to undemocratic forces to use the law as a tool to establish influence over the business community, he added.

In line with the draft of the new law, the Anti-Corruption Commission (ACC) would be able to investigate companies for serious financial crimes, Alam added.

But eminent jurist M Zahir opposed this proposed empowerment of the ACC to investigate fraudulent activities committed by companies.

"Whenever the ACC comes into the scene, things change."

Law and Parliamentary Affairs Minister Shafique Ahmed said the government is planning to bring in changes to the law as part of the plan to modernise it.

He said the government plans to appoint administrators to companies which under the veil of company scam people.

"For example, some companies in Gaibandha promise to double and treble deposits of depositors within a very short period saying that trees would be planted somewhere in Rangamati at their names."

"These are fraud companies. They do not want to do business," Ahmed said.

"If we go ahead with traditional ways of dealing with fraud companies the company officials might liquidate the assets of the company by the time the investigation completes. Thus there will be nothing left for the general shareholders."

He assured the business community of proper analysis of the law when it comes to his ministry for vetting.

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WHAT THE AMENDMENT TO COMPANIES ACT 1994 SAYS:

After Section 202 of Companies Act 1994, Section 202Ka will be inserted as follows:

202 (Ka) Appointment of an administrator by the government: (1) Whatever is said in this law or any other law, the government will have the authority to abolish any board of directors of any company registered under this law and appoint one or more administrators for a certain period through gazette notification, specifying the causes in writing, if it seems to the government that

(Ka) (I) the business of the company is being run to cheat its lenders, shareholders or any other person, or its administrative activities are being run for fraud or an illegal aim or to harass any member, or the company has been formed with the aim of cheating or running illegal activities; or

(II) The persons involved with the formation of the company or managing it have been accused of fraud, committing illegal activities, or misconduct to any other member;

(Kha) It is necessary to protect public interest or interest of the shareholders or lenders.

(2) No administrator can be appointed under sub-clause (1) without giving scope to the board of directors to explain the activities of the company.

(3) The qualifications, tenure, scope of work, and removal of the administrator/s will be set on a case-to-case basis through a gazette notification by the government.

(4) The appointed administrator/deputy administrator/assistant administrator will be considered as a public servant under section 21 of Code of Criminal Procedure of 1860.

(5) If anybody is affected by any activity done with good intentions by an administrator or any official or an employee or anybody empowered by him under this law, or there is any such possibility, it will not be cognizable under any existing law of the land.

(Translated by The Daily Star)

It's a threat to private companies

Economists and businesses say the govt should go for an alternative



Hossain Zillur Rahman Debapriya Bhattacharya

REFAYET ULLAH MIRDHA
Economists and businesses yesterday expressed concern over the government's move to appoint administrators in any company, saying such an attempt is a threat to the private sector.

Their concerns came as the government is taking steps to amend the Bangladesh Companies Act 1994 to appoint administrators in any troubled company like Destiny Group.

Debapriya Bhattacharya, a distinguished fellow of the Centre for Policy Dialogue, said, in case of the companies like Destiny Group, at first the company's existing governance should be used to run it in absence of its top officials.

Secondly, the government should apply the existing law to appoint administrators in such companies.

And even if it does not work, the government should appoint someone judiciously to run the company.

"But, at the same time, the private companies should also behave in a disciplined way," he said.

Economist Hossain Zillur Rahman said the move is not only a threat to the private sector, but also a sign of dangerous escalation of arbitrary governance.

"The whole process should thoroughly be reviewed," said Rahman, also a former commerce adviser to the caretaker government.

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Destiny to get administrators in three weeks

STAR BUSINESS REPORT
The government will appoint more than one administrator to the controversial Destiny Group within the next three weeks, said Commerce Secretary Ghulam Hussain yesterday.

"We must not spend more than three weeks to appoint the administrators as there have been reports that the group is losing control over its assets," said Hussain at a hurriedly-called press briefing at his office in Dhaka.

"The prime minister also wants to appoint the administrators as soon as possible. There is a possibility of

social unrest as the group has lakhs of members," the official said.

Due to the importance of the matter, the ministry now plans to appoint the administrators under the existing laws as appointing the administrators through promulgating ordinance is time consuming.

If necessary, the ministry will seek special permission from court to appoint the administrators as soon as possible, he said.

The ministry will hold talks with two lawyers today so that the administrators can be appointed without amending the laws, he said.

"But, everything will be finalised

in consultation with the business community," he added.

The ministry will also hold a consultation meeting with businesspeople, lawyers, analysts and other stakeholders on October 30 for their opinions on the appointment of administrators without amending the law.

When asked whether the proposed multi-level marketing law could be applied to appoint the administrators to Destiny, the minister said it will be more time-consuming as the MLM law is now under vetting at the law ministry.

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Young leaders hold the key to future

Yunus attends One Young World summit at Pittsburgh



YUNUS CENTRE
Nobel Laureate Muhammad Yunus is seen with Jack Dorsey, founder of Twitter; and Kate Robertson and David Jones, founders of the One Young World, at One Young World Summit 2012 at Pittsburgh in Pennsylvania on October 18.

STAR BUSINESS REPORT
Former US president Bill Clinton inaugurated the summit, according to a statement.

The summit had high profile guests such as renowned British chef Jamie Oliver, archbishop Desmond Tutu, Nobel laureate and former UN secretary-general Kofi Annan, Pakistani poet Fatima Bhutto, and Twitter founder Jack Dorsey.

Inspired by Prof Yunus' work, summit founders Kate Robertson and David Jones announced the creation of a One Young World social business fund which will provide investments to the best social business proposals selected at the summit.

Earlier, Prof Yunus was awarded the International Freedom Awards by the National Civil Rights Museum at Memphis, Tennessee, on October 16.

Dr Yunus also spoke at Mount Sinai Hospital and Grameen America's annual meeting.

Before touring the US, he also visited Haiti on a four-day trip. Prime Minister Laurent Lamothe and Prof Yunus jointly declared Haiti "Open for Social Business" to reinvent the Haitian private sector to address long-standing social problems in a financially sustainable way.

In his keynote at the closing of One Young World (OYW) Summit at Pittsburgh, Pennsylvania, on October 18, Dr Yunus also said young leaders hold the key to the future.

The OYW is an annual conference attended by more than 1,500 participants, all young leaders under 25, from more than 170 countries.

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Bose joins BTRC

STAR BUSINESS REPORT
Sunil Kanti Bose yesterday joined Bangladesh Telecommunication Regulatory Commission (BTRC) as its chairman.

The former telecom secretary will serve the BTRC for three years, said a circular of the public administration ministry.

After joining in the morning, Bose met BTRC officials, and later on took a farewell from the telecom ministry. He is the BTRC's fifth chairman after Zia Ahmed, who died on September 10.

Bose joined civil service in 1979. He completed his masters in zoology from Dhaka University and gained another master degree in forestry from Peswar University of Pakistan.

M d A b u b a k a r Siddique, additional secretary and chairman of Bangladesh Petroleum Corporation, took Bose's post in the ministry as acting secretary.

Govt plans quarantine stations to curb imports of diseased animals

SOHEL PARVEZ
The government plans to set up 24 quarantine stations at ports to restrict imports of diseased animals, including livestock and poultry, which are risky to human health.

The initiative will help control entry of trans-boundary diseases in local livestock and facilitate production of safe meat, said Ujjwal Bikash Dutta, fisheries and livestock secretary.

"It will pave the way for exports of halal meat," Dutta said.

The establishment of quarantine stations will allow Bangladesh to comply with an obligation of World Organisation for Animal Health (OIE), which wants every country to examine animals at entry points to ensure imports of disease-free animals.

The livestock ministry has already taken a Tk 50-crore project to establish such stations, he said.

The stations will be set up at major land ports with India, including Chittagong, Mongla seaports and international airports, through which a huge number of cattle enters Bangladesh every day.

But in the absence of quarantine facil-

ities, the government cannot check whether diseased animals are entering Bangladesh, said an official of the Department of Livestock.

The government initiative comes amid rising concerns about food safety among locals and efforts by some local firms such as Bengal Meat Ltd to export meat.

The restriction of diseased animals' entry through borders will help control the outbreak of trans-boundary diseases in the country, said Sharif Ahmed Chowdhury, consultant of Bengal Meat.

In the past, some diseases such as bird flu in poultry, foot and mouth diseases in cattle came from outside Bangladesh, he said.

Quarantine facilities at ports will indirectly help drive meat exports, he said.

Chowdhury, however, said the establishment of quarantine stations would fulfil one of the requirements of the OIE.

The government should establish disease-free livestock production zones to comply with the OIE requirement, he said.

"This is an important factor for meat exports," he said, adding that the company is yet to enter meat markets in Saudi Arabia because of Bangladesh's poor compliance with OIE requirements.