

# BB appoints fraud detection adviser

## The central bank takes other supervisory steps to rein in irregularities in banks

REJAUL KARIM BYRON

Bangladesh Bank has appointed a fraud detection adviser and taken some other supervisory steps to stop irregularities in the banking sector in the backdrop of the recent Hall-Mark loan scam.

The details of the 28-point supervisory measures were presented at a meeting of the BB board yesterday.

A web-based corporate memory management system (CMMS) has also been developed to record violation of banking rules by the officials and directors of banks and other financial institutions, the BB told its board.

Some irregularities by bank officials and directors have already been recorded in the CMMS and these will be reviewed later for taking further actions, the board was told.

Earlier, the BB board advised the authorities to find out the reasons behind the Hall-Mark scam and wanted to know about the measures the central bank is going to take to stop such frauds, a central bank official said.

At the board meeting, the central bank made a presentation, which highlighted its existing and future measures to stop such financial irregularities, BB Director Sadiq Ahmed told The Daily Star.

A BB report placed at the board meeting also portrayed the failure of Sonali Bank's treasury management, and gave details how a huge amount of money was embezzled by dubious Hall-Mark Group when the bank was going through financial crisis.

Sonali Bank gave loans worth Tk 10,883 crore from January to May this year. Of the amount, Tk 5,814 crore went to the private sector although the bank had a huge deficit in maintaining its cash reserve ratio, according to the report.

The adviser to detect fraud and mitigate related risks has already started working, the central bank told its board.

In another move, the BB has asked the banks to form a separate risk management unit. The units will do risk modelling, determining their risk limit, and analysing and supervising all the existing risks.

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Third from right, Dilip Barua, industries minister, poses with some commercially important persons felicitated this year for their contributions to economic growth and employment generation, at a ceremony at Sonargaon Hotel in Dhaka yesterday.

# 35 industrialists get CIP cards

## Some recipients say they can't enjoy privileges

STAR BUSINESS REPORT

The industries ministry yesterday handed over special cards to 35 commercially important persons, known as CIP, for their contribution to job creation and economic growth.

Industries Minister Dilip Barua gave away the cards to the recipients for 2012 at a ceremony at Sonargaon Hotel in Dhaka.

The CIPs were selected in six categories -- ex-officio, large-scale industries, medium-scale industries, small-scale industries, micro-scale industries and services sector industries.

The recipients are entitled to some privileges for a year from the issuing of the card. They will get entry to the secretariat without a special pass, and will be invited to national programmes and functions of municipal corporations.

They will get priority in ticket booking from Biman -- the national flag carrier -- for overseas travel, and reservation of seats in government transports. They will also enjoy special status at domestic airports.

The foreign minister will issue a letter of introduction in favour of the CIPs for helping them get visa easily in case of foreign trips.

The CIP cardholders, their spouse and children will also get priority in getting cabins for treatment in public hospitals. They could also be made members of any policymaking committee on industries.

AK Azad, currently the president of Bangladesh Chamber of Industries, who won the CIP status as the president of the Federation of Bangladesh Chambers of Commerce and Industry, said: "The industrialists are not getting the status out of anybody's mercy. We have earned it."

He said although the recipients are entitled to many privileges, they receive only a few. "But I think getting the recognition is a major achievement."

He urged the government to solve gas and power crises, improve the state of Dhaka-Chittagong highway and provide enough security to the transportation of goods.

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# HSBC arranges \$420m loans for Ashuganj Power Station

STAR BUSINESS REPORT

HSBC Bangladesh has arranged \$420 million loans for Ashuganj Power Station Company Ltd (APSCL) to help the state-run electricity producer set up a 450-megawatt combined cycle power plant.

HSBC signed an agreement with APSCL yesterday at Radisson Hotel in Dhaka to help the power producer use the fund backed by the Export Credit Agency and the Multilateral Investment Guarantee Agency.

The project is the first transaction of its kind in the power sector in Bangladesh, the bank said in a statement.

Ashuganj Power Station is the second largest power plant in Bangladesh with installed capacity of 724 megawatts and

de-rated capacity of 642-megawatt, meeting 15 percent of the country's electricity requirements.

"The credit arrangement is a reflection of HSBC's ongoing efforts to support infrastructure growth in public sector in Bangladesh, especially bolster government activities to enhance power supply in order to sustain the current economic growth momentum," the bank said.

Tawfiq-E-Elahi Chowdhury, energy adviser to the prime minister; Muhammad Enamul Huq, state minister for power, energy and mineral resources; Anwar Hossain, chairman of Ashuganj Power Station Company; and Mahbub-ur-Rahman, head of HSBC's corporate banking in Bangladesh, were present at the deal signing ceremony.



HSBC

Mahbub-ur-Rahman, head of HSBC's corporate banking in Bangladesh, and Md Nurul Alam, managing director of Ashuganj Power Station Company, exchange documents of a loan agreement signed at a ceremony in Dhaka yesterday. Tawfiq-E-Elahi Chowdhury, energy adviser to the prime minister, was also present.

# Atiur: minister can't be chairman of a bank

STAR BUSINESS REPORT

The constitution does not allow a minister to hold the position of chairman of any bank, Bangladesh Bank Governor Atiur Rahman said yesterday. The central bank will go by the constitution, he said.

"There is no scope for a minister becoming chairman of a bank," Rahman told The Daily Star, referring to Home Minister Muhiuddin Khan Alamgir's move to be the proposed chairman of the newly approved Farmers' Bank.

It is among the nine new banks approved by the central bank on April 8. Seven of them, including Farmers' Bank, have already applied for license and two others have been granted time to submit their applications.

Alamgir would not be able to hold the position of the bank's chairman after it has been given the license, said a Bangladesh Bank official. However, there was no legal bar to Alamgir being a shareholder of the bank, he added.

Article 147 (3) of the constitution strictly imposes a ban on the president, the prime minister, ministers and some other constitutional officials from holding any office, post or position of profit or emolument or taking part in the management or conduct of any company, association or body having profit or gain as its object.

If the documents submitted by the seven proposed banks are found to be valid they might be given the license by January next year, the BB official said.

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# Bangladesh to harvest more rice this year: FAO

SOHEL PARVEZ

Rice production may rise 1.2 percent to 51.3 million tonnes in 2012 due to favourable rainfall, distribution of high-yielding seeds and subsidised fertilisers, the Food and Agriculture Organisation said. The volume of milled rice is likely to be 34.2 million tonnes for the full year from the three crops -- aus, aman and boro.

Aman output, harvesting of which is almost complete, is likely to touch 13 million tonnes this year, although dry weather in August and flash floods in the north and south-western regions at the time of planting led to some crop losses, the UN agency said in a statement.

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