

## MOTIONS IN EUROPEAN PARLIAMENT

## Retailers under pressure to compensate Tazreen victims

STAR BUSINESS REPORT

Members of European Parliament will ask retailers to compensate the victims of the fire at Ashulia-based Tazreen Fashions, which was making clothes for global brands.

Three groups of parliamentarians are going to adopt resolutions on the Bangladesh fire at a four-day plenary session that started yesterday.

The European Parliament calls on all European retailers whose orders were being processed at the time of the fire to support the local authorities and involve social partners in setting up an adequate and transparent compensation scheme.

Such a system should cover the loss of income and damages for the injured and the families of the dead, as well as free medical rehabilitation for the injured and

care and education for deceased workers' dependant family members," one of the resolutions said.

The European Parliament posted the resolutions on its website.

The parliamentarians will hold three separate motions at the plenary session on the fire that killed 112 workers in November last year.

The discussion on Bangladesh will start on Wednesday and will continue through Thursday.

A rise in minimum wages in Bangladesh, which for many workers are below the substance level, forms part of the improvements required, according to the first resolution.

The resolution also welcomed the government's initiative for establishing an independent inspection system and actively supporting the creation of health and safety committees.

The resolution urged the Bangladesh government to duly investigate the torture and murder of labour rights activist Aminul Islam.

The lawmakers also called for ending restrictions on trade union activities and collective bargaining.

"The European Parliament welcomes Bangladesh's successful efforts to reduce child labour in the garment sector and urges Pakistan to step up its engagement against child labour."

The parliament also praised Bangladesh's recent decision to extend maternity leave to six months in the garment sector.

The European Commission should actively promote mandatory responsible business conduct among EU companies operating abroad, with special focus on the areas of human rights, labour and the environment,

according to the second resolution.

The parliamentarians called for full and active consultation and involvement of representative organisations, including free and independent trade unions, in the development, operation and monitoring of companies.

In the third resolution, the parliament condemned the failure by the EU businesses, despite the 'codes of good conduct' they have adopted, to uphold workers' rights.

The parliament urged the relevant authorities in the EU and in member states to refer to existing inquiries and to conduct in collaboration with relevant international organisations an impartial inquiry into these practices.

The parliament will send the resolutions to the government of Bangladesh for taking necessary actions.

## Turnover dips on Dhaka bourse

STAR BUSINESS REPORT

Turnover on the Dhaka Stock Exchange (DSE) yesterday dipped to Tk 119 crore, a six-month low, as investors lost confidence in making fresh investments.

Turnover on the premier bourse declined 3.79 percent, compared to the previous day.

DGEN, the benchmark general index of DSE, finished the day at 4,111.61 points, after falling 11.39 points or 0.27 percent.

"Unprecedented market equilibrium with lowest turnover within the last six months clouded the investment psychology," IDLC Investments said in market comments.

"Institutional investors are clearly not investing in the market," LankaBangla Securities said in a market commentary.

A total of 0.37 lakh trades were executed with 3.7 crore shares and mutual fund units changing hands on the Dhaka bourse.

Among the major sectors, non-bank financial institutions lost 0.59 percent, followed by banks 0.36 percent and power 0.31 percent. Telecoms and pharma posted gains of 0.03 percent each.

United Airways appeared among the most-traded stocks with 43.02 lakh shares worth Tk 9 changed hands. Beximco and Unique Hotel and Resorts were the next popular stocks of the day.

Of the 265 issues that traded on the DSE, 69 advanced, 156 declined and 40 remained unchanged.



Visitors check out exhibits at the Dhaka International Trade Fair yesterday, with sales gaining momentum in the past few days. Exhibitors expect huge crowds of shoppers in the days to come.

## NBR zooms in on doctors, other professionals

STAR BUSINESS REPORT

The National Board of Revenue (NBR) is set to examine the tax files of professionals with scope to earn outside their regular jobs, in a bid to thwart tax-dodging.

The revenue administration initiated the move considering the tendency of professionals such as doctors, pathologists and lawyers not to disclose their earnings from consultancy practices outside their hospitals they are contracted to.

Apart from their earnings from fees, it is alleged that doctors get commissions from private diagnostic centres for referring patients for various tests.

But the incomes from commissions do not get reflected in annual tax returns of doctors, said tax officials.

"We see many doctors consult a huge number of patients every day, but the number of patients and the income from fees drastically come down when the issue of tax payment comes," said Md Rustom Ali

Molla, commissioner of tax zone-4 in Dhaka.

He said as per income tax rules, doctors are supposed to issue memo against fees they charge from consulting patients.

"In reality, no one issues memos," he said.

The NBR initiated steps several times in the past to ensure professionals pay taxes proportionate to their true earnings. But the efforts hardly met any success.

The NBR plans to develop an action plan and conduct surveys to bring doctors under the tax bracket.

If necessary, it will employ inspectors to examine the earnings from consultancy fees, he said.

"We will audit tax files of doctors," said a senior official of tax zone-10, where most doctors pay their taxes.

Happy New Year

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## Policy hurdle keeps banks away from BB's e-commerce gateway

Dispute and fraud management issues still remain unresolved

SAJJADUR RAHMAN

Many banks seem reluctant to join the central bank-installed national payment switch (NPS) as the regulator is yet to adopt a policy to address key issues like dispute and fraud management, industry people said.

Bangladesh Bank launched the NPS in December 2012 with only three banks in the network.

Once all banks join the NPS, a customer using a credit or debit card of any bank will be able to draw cash from any ATM and POS (point of sales) centre. And transaction costs will go down significantly as the transactions will be routed through the NPS instead of Visa, Master or Amex card networks abroad.

Moreover, purchases and sales could be done with cards through internet and web portals within the country.

However, other issues that kept the banks unresponsive are with the NPS's limited services and uncertainty over the fees for the services.

"We've decided to wait and see how things progress," said Kazi Saifuddin Munir, chief executive officer of IT Consultants that runs Q-Cash, the largest gateway for transactions through automated teller machines (ATMs).

Presently, 27 banks are in the Q-Cash network and if Q-Cash joins the NPS, these banks will be in the switch automatically.

These 27 banks include technologically-backward major state banks.

"If the NPS is for cash withdrawal and balance inquiry, then we've to think twice before joining the switch," said Munir.

The central bank has set up the NPS in more than three years at a cost of \$5 million (around Tk 40 crore) funded by the World Bank.

"We want to join the NPS, but we are yet to get any policy in this regard," said Ali Reza Iftekhar, managing director of Eastern Bank Ltd.

Iftekhar's concern is with the dispute and fraud management.

"How disputes will be settled is a vital issue," he said.

NCC Bank, which is also yet to join the NPS, said it is ready. "We're hopeful to join the switch by this month," said Nurul Amin, managing director of the bank.

"Determining the fees for the services is important," said Amin, also the chairman of Association of Bankers Bangladesh, a forum of banks' managing directors.

There are also talks in the banking industry that many banks are not technically-equipped enough to join the NPS. A bank requires a switch (software) to get connected with the NPS. This software costs higher in international markets, but local companies can develop the software at lower prices.

"We've used locally-developed switch that saved time and money," said Masoudul Bari, head of IT of Al-Arafah Islami Bank.

He said the banks that use foreign software might take more time to install it.

A top BB official, however, said they have moved fast to address banks' concerns over dispute and fraud management.

"We've appointed a consultant to look into the regulatory issues of dispute resolution," said Dasgupta Asim Kumar, executive director of the central bank.

Kumar hoped 15/20 banks will join the NPS this month and it will take two months to run the total system involving all the banks.

The BB official also refuted the claim that e-commerce is not allowed through this NPS.

"There must be web portals for online shopping, and individual merchants have to have technology (such as POS) to take advantage of the NPS," said Kumar.

He said the BB will set the fees in a month for its own and for the banks.

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## DSE meets merchant banks to restore market confidence

STAR BUSINESS REPORT

Dhaka Stock Exchange (DSE) yesterday sat with merchant banks as part of its meetings with market stakeholders to find ways to rejuvenate the bearish stockmarket.

"We are trying to identify the problems behind the continuous downward trend as well as possible solutions to revitalise the market," said Rakibur Rahman, president of the premier bourse.

DSE will sit with the other stakeholders such as the stockbrokers and stock dealers in the coming days, he added.

Stocks continued with its descent, with the DGEN, the benchmark general index of DSE, dropping 11 points or 0.27 percent to close the days at 4,111 points.

Turnover came down to Tk 119 crore, the lowest in the last six and a half months.

The downward trend, both in indices and turnover, started after the market crash in January 2011.

The merchant bankers expressed their

concern about the declining investor participation.

If the situation continues, investor confidence will eventually run out and they will certainly leave the market, according to the merchant bankers.

They said most merchant banks are hardly providing credit support to their clients due to liquidity crisis.

The merchant banks are getting little or no credit support from their parent organisation, they added.

Moreover, the banks are reducing their investment exposure to the stockmarket due to confusion over the investment ceiling.

As per the existing rules, financial institutions can invest up to 10 percent of their deposits in the market.

But, the rule is being modified by the government, upon the International Monetary Fund's (IMF) prescription.

The IMF suggested making the investment ceiling 25 percent of an institution's paid-up capital, while the central bank is trying to fix it at 40 percent.

## Toyota regains global auto sales crown

AFP, Detroit, Michigan

Toyota regained the global sales crown lost when the 2011 Japanese tsunami devastated its supplies as US rival General Motors saw its share of the global market shrink.

Monthly instalment	3 Years	5 Years	8 Years	10 Years
500.00	21,826.00	41,468.00	81,487.00	117,502.00
1,000.00	43,652.00	82,936.00	162,974.00	235,004.00
2,000.00	87,304.00	165,872.00	325,948.00	470,008.00
5,000.00	218,260.00	414,680.00	814,870.00	1,175,020.00

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