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DHAKA FRIDAY JULY 5, 2013, e-mail: business@thedailystar.net

GB panel's final report due July 20

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The Grameen Bank Inquiry Commission is scheduled to hand in its final report on the bank and 48 other independent organisations on July 20, Finance Minister AMA Muhith said yesterday.

He made the disclosure after a meeting of the cabinet's purchase committee at the secretariat.

The government last year set up the three-member commission to review the operations of Grameen Bank and the associated organisations founded by Nobel laureate Prof Muhammad Yunus, and to make recommendations about their future structures.

Muhith also said he would respond in due time to the recent statement made by Prof Yunus.

The statement from the Grameen Bank founder in fact came after the finance minister himself made a statement in parliament on June 26 about Prof Yunus and some other issues, including his social business ventures.

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BB joins global network to battle money laundering

Financial Intelligence Unit is now part of Egmont Group; Governor Atiur Rahman keeps mum on BASIC Bank scam

STAR BUSINESS REPORT

Bangladesh has become a member of Egmont Group, a global network of financial intelligence units, which will help the country combat cross-border money laundering and potential terror financing.

"From now, Bangladesh will have access to sensitive information on the Egmont Group website," Atiur Rahman, governor of Bangladesh Bank, said at a media briefing at its headquarters yesterday.

The BB's Financial Intelligence Unit will act as the national centre for all work.

Another major benefit that Bangladesh will get from the membership is training from international experts and sharing of expertise among members, Rahman said.

Bangladesh sought membership in 2008 and received it at Egmont's meeting held on Wednesday in Toronto, Canada. Malaysia and Thailand sponsored Bangladesh for the membership.

Established in 1995 at the Egmont Arenberg Palace in Brussels, the group is an informal organisation of financial intelligence units from 131 member countries. The group operates a global dragnet against money laundering and other financial frauds as part of the

BENEFITS

- Bangladesh will have access to information from financial intelligence units of 131 member nations
- Detect cross-border money laundering, corruption and terror financing
- Help recover laundered assets
- Local officials will get training from international experts



Atiur Rahman, central bank governor, announces Bangladesh's membership of Egmont Group, a global network of financial intelligence units, from a press conference at the BB headquarters yesterday.

campaign against illegal narcotics, activities of organised crime and terror financing.

Increasingly, corruption related crimes appear in the statistics of FIUs and of law enforcement agencies, as a major category of predicate offences.

The US Department of State 2011 Money Laundering and Financial Crime Report names corruption as a 'major predicate offence' or as a serious obstacle to fighting money laundering, a document on the

Egmont Group website shows.

"We'll now exchange information among the member countries to detect money laundering and terror financing," Rahman said.

Thanks to the membership, Bangladesh will be able to detect money laundering only through the banking channel, said Mahfuzur Rahman, executive director and spokesperson for BB.

Reporters at yesterday's media briefing raised questions on whether the membership could

detect other scams in the banking sector, like state-run Sonali Bank and BASIC Bank being involved in swindling thousands of crores of taka and eventual money laundering inside the country.

Senior officials, including the governor, kept mum on the irregularities at BASIC Bank involving around Tk 4,500 crore. At one stage, the governor, along with his colleagues, left the conference room, without taking the questions.

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Stocks to get Tk 300cr fund next week

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The central bank will release a Tk 300 crore fund for the capital market and it asked the Investment Corporation of Bangladesh to receive the fund next week.

It will be the first instalment of a Tk 900 crore refinancing scheme formed by the government to boost the ailing stockmarket that has been in a downturn since a price debacle in early 2011.

Bangladesh Bank yesterday got a go-ahead from the finance ministry to release the fund, said a spokesman of the central bank.

"We asked the ICB today [yesterday] to prepare necessary documents and take the fund," said M Mahfuzur Rahman, also an executive director of the BB.

Md Faykuzzaman, managing director of the ICB, said: "We have got a letter from the central bank. Now we will set the next course of action to get the fund."

Meanwhile, speculation over the release of the fund put a positive impact on the market yesterday. The DSEX, the benchmark index of the Dhaka Stock Exchange, rose 38 points or 0.9 percent to 4,270 points.

The single-day turnover on the premier bourse reached Tk 913 crore, surging 13 percent.

On Wednesday, the prime minister instructed the central bank governor to release the fund soon, according to media reports.

In May, the government had announced the Tk 900 crore refinancing scheme and the central bank approved it later that month.

As per the refinancing scheme, ICB, the state-run investment bank, will get credit at an interest rate of 5 percent. The ICB will disburse the fund to other merchant banks and stockbrokers at 6 percent.

The merchant banks and stockbrokers can then invest the fund in securities or lend to their clients at an interest rate of 10 percent.

Existing labour law better than the proposed draft

Says experts at a seminar on the garment sector

STAR BUSINESS REPORT

The proposed amendment to the labour law, which is expected to be finalised this month, still have some provisions that go against the garment workers' interests, experts said yesterday.

"In some areas, the existing law is better than the draft proposal," said AKM Nasim, senior legal counsellor of the American Centre for International Labour Solidarity (ACILS).

"Take for instance, the provision for owners to terminate workers for 'arson, vandalism and obstruction to work' -- no such words are present in the existing labour law."

Nasim's comments came at a discussion on "Creating better environment for garments workers and improving working conditions in the readymade garment sector: reforming the labour law", organised by the National Human Rights Commission at BRAC Centre Inn in the city.

The revision has also curtailed the service benefits, especially of the garment workers, as factory owners would be able to dismiss workers for any misconduct, he said.

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Online TIN registration draws huge response

SOHEL PARVEZ

The National Board of Revenue has received a huge response in online registration for taxpayer identification numbers, officials said.

The number of online TIN registration by individual taxpayers and companies hit 10,572 in three days since the revenue authority launched a portal on July 1 to reduce taxpayers' hassles.

Of the TINs, 3,224 are newly registered. The rest came from re-registration by existing taxpayers. Some 113 companies and firms also got TINs online.

"We didn't expect such a huge response. It shows people have taken online registration positively," said NBR member Rahela Choudhury, who spearheaded a team of 13 officials to implement the system.

"We will now take steps to encourage the existing and prospective taxpayers to get TINs online, she added.

The initiative to provide TINs online

ONLINE TIN REGISTRATION

Launched on July 1

New e-TINs: **3,224**

Reregistered TINs online: **7,348**

is part of a plan to digitise the entire tax payment system.

The move will also help the revenue authority to streamline its existing TIN

database, which contains many fake and inactive accounts, and prevent forgery of TIN certificates.

The tax administration had earlier found that 15 lakh out of 32 lakh TINs are inactive and fake.

The initiative requires the fresh TIN-seekers to provide personal information, including the national identity card number, mobile phone number and e-mail address, to get TINs online.

The existing TIN holders, too, will have to re-register by the yearend.

Companies seeking to re-register will submit their registration numbers they got from the Office of the Registrar of Joint Stock Companies and Firms.

Rahela said the present 10-digit TINs would become invalid from next January.

She said people, who have found errors in their national ID cards, will have to get those corrected by the Election Commission before applying for TINs online.

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In-flight mobile service soon

ABDULLAH MAMUN

A Swiss in-flight telecom service provider has sought permission from the Bangladesh Telecommunication Regulatory Commission (BTRC) to provide Wi-Fi and mobile connectivity to passengers while in the country's air space. The telecom regulator is now examining whether the Geneva-based OnAir's onboard service would interfere with aircraft's navigation and communication system.

Also in negotiations is the amount that the Swiss company would pay to the government. OnAir, which has agreements with a host of countries, says the annual charges range from nothing to \$3,000.

ATM Monirul Alam, commissioner of BTRC, sees no problem arising from the on-air telecom service in Bangladesh skies. He ruled out any frequency interference between the aircraft and mobile services.

The spectrum allocation committee has already given the green light to the service. OnAir currently provides onboard services to 30 airlines which include Qatar Airways, British Airways, Etihad Airways, Singapore Airlines, Thai Airways and Saudi Arabian Airlines.

A similar proposal was placed to the BTRC earlier in 2009, but the commission rejected it fearing disruptions to mobile towers on the ground. It has since been established that onboard services do not interfere with terrestrial mobile service.

GSP cut may weigh on investment: Moody's

STAR BUSINESS REPORT

The suspension of trade benefits by the United States could inflict greater indirect implications on Bangladesh and might affect the much-needed investment flowing to the country, rating agency Moody's said on Wednesday.

"While the direct effect on Bangladesh's exports to the US would likely be very limited, the move may dampen broader investment flows to Bangladesh, eventually posing risks to its external position," it said.

On June 27, the US suspended Bangladesh from eligibility for trade benefits under the generalised system of preferences (GSP) programme, due to the country's insufficient progress towards reforms on worker rights and safety standards.

The rating agency said the actual scope of tariff benefits that Bangladesh would forego due to the suspension will be very limited and would not affect the apparel industry, which does not benefit from GSP privileges.

The NAFTA bloc that includes the US, Canada, and Mexico, takes 25.5 percent of Bangladesh's total exports and the European Union absorbs a much larger

52.5 percent.

In 2012, Bangladesh exported goods worth \$34.7 billion to the US under GSP, representing just 0.1 percent of its total exports. Items covered under the GSP scheme include tobacco, sports equipment and plastic articles.

In contrast, the EU grants preferential access to Bangladesh's RMG exports.

Although the US's decision to suspend trade benefits would have very limited immediate implications for export growth, the move may have negative signalling effects, since it could further deter investors who are already faced with the frequent occurrence of strikes and uncertainty over the future labour environment, Moody's said.

These factors have yet to have a visible effect on exports, which were up 10.7 percent for the 11 months ended on May 2013 from the same period a year earlier, the rating agency said.

Moody's said foreign direct investment, which was already low at 0.9 percent of GDP in 2012-13 versus the Ba median of 2.4 percent, would likely to decrease further in an uncertain operating environment.

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