

Citi holds workshop on US tax compliance act

STAR BUSINESS DESK

Deputy Governor of Bangladesh Bank SK Sur Chowdhury urged the country's scheduled banks and financial institutions to study the implications of Foreign Account Tax Compliance Act (FATCA) of the USA to avoid the effects of the act.

He spoke at a day-long workshop on FATCA for representatives of the banking sector, organised by the Citibank NA Bangladesh recently, the bank said in a statement yesterday.

The workshop aimed at creating awareness on the FATCA and to familiarise participants with the new law, which all banks are required to comply with before June, 2014.

The American act affects both US-based and other financial institutions, and its broad scope effectively impacts nearly all



SK Sur Chowdhury, deputy governor of Bangladesh Bank; Rashed Maqsood, Citi country officer; Syed Md Aminul Karim, income tax policy member of the NBR, and Karyn Kenny, resident legal advisor for US Embassy in Bangladesh, pose with the participants of a day-long workshop on Foreign Account Tax Compliance Act of the USA, in the capital recently.

parties that make or receive cross border payments, said Syed Md Aminul Karim, income tax policy

member of the National Board of Revenue.

The existing double taxation

agreement with the USA needs to be re-examined further and a broad agreement between the two governments needs to be reached prior to implementation of the FATCA, Karim said.

Enacted in 2010 in the United States, FATCA requires a foreign financial institution to report to the US Internal Revenue Service about accounts held by the US taxpayers or by foreign entities in which US taxpayers hold a substantial ownership interest.

Rashed Maqsood, managing director and Citi country officer for Bangladesh; Helal Ahmed Chowdhury, vice chairman of the Association of Bankers, Bangladesh; and Karyn Kenny, resident legal adviser of the US embassy in Dhaka, were also present.

David Weisner, US tax counsel for Asia Pacific at the Citigroup, conducted the technical session of the workshop.



AKM Shahidul Haque, managing director of Midland Bank, poses with the participants of a training on internet banking operation and administration, organised by the bank's information technologies division at the bank's head office recently. Khondoker Nayeemul Kabir, deputy managing director, was also present.

Stocks slip on profit-taking

STAR BUSINESS REPORT

Dhaka stocks declined for the second day yesterday as investors went on a selling spree to bag profits.

DSEX, the benchmark general index of Dhaka Stock Exchange, closed the day at 4,706.54 points, after falling 45.07 points or 0.395 percent.

DSES, the Shariah index of the premier bourse, closed the day at 971.55 points, after declining 10.71 pints or 1.09 percent.

Announcement of the latest monetary policy statement could not exert any tangible influence on the day's trading, while a profit-taking wave touched banks and non-bank financial institutions that fell 1.92 percent and 1.42 percent, IDLC Investments said in its daily market analysis.

The profit-taking tendency created selling pressure on the market and pushed the index towards correction, LankaBangla Securities said in its regular market analysis.

Turnover, the most important indicator of the market, declined 11.74 percent to Tk 594 crore from the previous day.

A total of 1.25 lakh trades were executed with 14.70 crore shares and mutual fund units changing hands on the Dhaka bourse.

Lafarge Surma Cement fell 4.94 percent, which led the cement sector to be the worst performer with a 2.84 percent fall in market cap.

Foods gained the highest 2.7 percent, riding on British American Tobacco Bangladesh, which gained 4.15 percent. Power accounted for 18 percent of the daily turnover and took the highest position.

The losers took a strong lead over the gainers—181 to 76—with 35 issues remaining unchanged on the DSE floor.

Padma Oil from the power sector saw the highest liquidity with 5.21 lakh shares worth Tk 18 crore changing hands, followed by Square Pharma and Summit Power.

Rahim Textile was the biggest gainer of the day, as it posted an 8.7 percent gain, while the Sixth ICB Mutual Fund was the worst loser, plunging by 7.24 percent.

The port city bourse also declined yesterday with its selective categories index, CSCX, declining 90 points to close the day at 9,252 points.

Losers beat gainers 157 to 55 with 16 issues remaining unchanged on the Chittagong Stock Exchange that traded 1.5 crore shares and mutual fund units with a turnover worth Tk 52 crore.

Maruti Suzuki net profit rises 36pc

REUTERS, Mumbai

Maruti Suzuki, India's biggest carmaker, reported a 36 percent rise in third-quarter net profit, matching estimates, as favourable foreign exchange movement and cost reduction efforts offset fallingsales.

Maruti, controlled by Japan's Suzuki Motor Corp, said profit for the Oct-Dec quarter was 6.81 billion rupees, up from 5.01 billion rupees in the same quarter of 2013. Sales fell about 3 percent to 106.2 billion rupees.

Analysts had expected the company to post a profit of 6.84 billion rupees, accord-

Ex-envoys call for duty-free access to Indonesia

STAR BUSINESS REPORT

Some former Bangladeshi diplomats yesterday urged the Indonesian government to give some Bangladeshi products duty-free access to the Southeast Asian country.

They also stressed the need for direct air and shipping services between the two countries to boost trade and commerce.

The former envoys spoke on "Indonesia-Bangladesh: forging ahead to the future" organised by Bangladesh Institute of International and Strategic Studies (BISS) in the capital.

Scope is there to improve the export and import relations between the two, especially in shipping, agriculture, tourism and electronics,

said Humayun Akter Kamal, a former ambassador.

Currently, Bangladesh exports pharmaceutical and jute products to Indonesia and imports some electronic goods.

Economies of the two countries will be stronger if Indonesia gives trade access to Bangladesh, said another former ambassador, Mohsin Ali Khan.

"Our traders can draw the attention of their Indonesian counterparts to invest in the energy sector of Bangladesh," said Nasim Ferdous, who was the Bangladeshi ambassador to Indonesia from 2002 to 2006.

Indonesia should ease their business policies so the traders of the two countries can enjoy equal access

to improve the trade relations, said Rashed Maksud Khan, a Bangladeshi trader who was present at the discussion.

Indonesian Ambassador Iwan Wiranata Atmadja responded positively to the call of the former envoys and assured them of taking steps to bring trade balance.

The 16th largest economy in the world, Indonesia is ready to develop trade and bilateral relations in education, food security and energy sustainability, Atmadja said.

Both the mid-income countries have the potential to expand their reach as emerging markets, he said.

Munshi Faiz Ahmad, chairman of BISS, presided over the discussion while Major General SM Shafiuddin Ahmed, director general, also spoke.



RECKITT BENCKISER

Winners of a talent hunt show--Dettol Shera Ami Shonghe Ma--pose with the awards at the final of the programme, organised by Reckitt Benckiser's flagship brand Dettol and RTV recently.



January 25, 2014

MTB

Syed Manzur Elahi, founding chairman of Mutual Trust Bank, attends the bank's annual business conference at a local hotel in Dhaka on Saturday. Anis A Khan, managing director, was also present.



JCI

Abul Kalam Azad, managing director of Evergreen Trading International, and Rumana Chowdhury, president of Junior Chamber International Dhaka East, attend the signing of a partnership agreement to provide advanced educational support for underprivileged children of primary schools recently.

Apple reports \$13.1b profit, sells 51m iPhones

AFP, San Francisco

Apple said Monday record sales of iPhones drove revenues to new heights in the past quarter, resulting in a profit of \$13.1 billion.

The California tech giant said it had record quarterly revenues of \$57.6 billion, helped by selling 51 million iPhones.

But Apple shares fell 5.7 percent at \$519.15 in after-hours trade on a weaker-than-expected outlook ahead.

The company said it sold 26 million iPads during the quarter to December 28, also an all-time quarterly record, as well as 4.8 million Macs.

"We are really happy with our record iPhone and iPad sales, the strong performance of our Mac products and the continued growth of iTunes, software and services," said Tim Cook, Apple chief executive.

"We love having the most satisfied, loyal and engaged customers, and are continuing to invest heavily in our future to make their experiences with our products and services even better."

While Apple remains the most valuable and among the most profitable companies, some analysts are concerned it is losing its edge and failing to keep up with rivals in the smartphone and tablet markets.

"Some of the shipments may be records, but Apple shares are taking it on the chin here. Sometimes great is not great enough," said Jon Ogg at 24/7 Wall Street.

The profit of \$13.1 billion was unchanged from a year earlier and amounted to \$14.50 a share, better than analyst forecasts.

But Apple's outlook for the current quarter, its second fiscal quarter, were below forecasts at between \$42 billion and \$44 billion in revenue.

Apple has been facing pressure from billionaire Carl Icahn, which wants the company to boost the size of its share buyback to deliver more cash to shareholders.

Big cuts unlikely in ADP outlay

FROM PAGE B1

Though the Bridge Division got the third highest allocation -- Tk 6,886 crore -- for implementing the Padma bridge project, its implementation rate was only 3 percent in the first half.

Already Tk 4,000 crore has been taken away from the allocation of the Bridge Division to give 20 percent dearness allowance to the government staff.

The Power Division got the second highest allocation of Tk 8,756 crore and its implementation rate was only 24 percent in the first half.

The Local Government Division got the highest allocation at Tk 10,632 crore, which is 14 percent of the total ADP allocation. Its implementation rate was 40 percent in the first six months of the current fiscal year.

Airtel plans to delegate tower management

FROM PAGE B1

In a statement, Airtel Bangladesh said: "We formed a separate company to promote sharing of infrastructure last year and have nothing specific to share at this point."

The services of the tower company include development of buildings, shelters, towers or masts, electric power supplies, battery backup, air conditioning, security arrangement, and poles for base transceiver sites, according to the letter.

Bangladesh Telecommunication Regulatory Commission approved the application to form a separate passive infrastructure equipment management company in a meeting on May 21 last year.

Earlier, another mobile operator, Robi Axiata, also shared its tower infrastructure with a tower management company 'e.co', a company of its majority shareholder Axiata of Malaysia.

Times of India, an Indian newspaper reported last week, "Bharti Airtel has put the company's Bangladesh tower assets on its divestiture list as the world's fourth largest mobile telephony firm seeks to raise more than \$2 billion from selling its infra networks to bolster cash reserves."

Airtel's Dhaka office said the Indian newspaper's report was based on market speculation and denied to comment.



UCB elects EC chairman

STAR BUSINESS DESK

Anisuzzaman Chowdhury Ronny has recently been elected as the chairman of the executive committee of United Commercial Bank (UCB), the bank said in a statement yesterday.

A director of Ronny Chemical Industries Ltd, Ronny is also a business administration graduate from Palm Beach Atlantic College of USA.

Rana Plaza funds get closer

FROM PAGE B1

Roy Ramesh Chandra, secretary general of IndustriALL Bangladesh Council, the local arm of the global union federation IndustriALL, however, disapproved the recommended figures as they were not arrived at by following Article 121 of ILO convention.

As per ILO convention, in case of death the worker's family is entitled to Tk 25 lakh. The permanently disabled workers should receive more than Tk 25 lakh, the recoverable injured ones Tk 15 lakh and those with minor injuries Tk 5-10 lakh.

Ramesh also gave an update on the parallel compensation initiative of a number of European and Bangladeshi organisations that include IndustriALL, Clean Clothes Campaign, a number of retailers, the government, BGMEA, Bangladesh Employers Federation and main labour union coalitions.

Using the ILO benchmark, it has been estimated that \$74.5 million will be required to adequately compensate the victims. So far, four retailers—Bonmarche, Primark, Loblav and El Corte Ingles—have provided \$40 million.

Under the arrangement, families of the 1,135 dead workers will receive Tk 20 lakh

each, with the compensation to be provided from February in instalments.

Mojtaba Kazazi, the executive commissioner of United Nations Compensation Commission (UNCC), is due in Dhaka in a day or two to meet the coordinating committee so that the procedures for compensation can be started as soon as possible.

Chandra said the whole compensation process will be completed within the next six months.

As for the injured workers, a coordinating committee will soon evaluate the gravity of injury and recommend a suitable compensation amount from the trust fund. Dhaka Medical College Hospital and the Centre for the Rehabilitation of the Paralysed will make the injury assessments.

IndustriALL Bangladesh Council has proposed Sultana Kamal, former advisor to a caretaker government, to head the committee to determine the amount of compensation money, he said.

Meanwhile, the coordinating committee will approach the other retailers that sourced garment items from the factories housed in Rana Plaza to contribute to the compensation fund.

ILO will act as a facilitator in the whole process.

39 companies line up for IPO approval

FROM PAGE B1

The more the investors have access to fundamentally strong securities, the lesser will be the rush to purchase junk companies' shares, he said.

Sannamat, also the vice-president of Bangladesh Merchant Bankers Association, said companies are showing their interest to

raise funds from the capital market through IPOs of late.

In 2013, 15 new companies held their IPOs, raising around Tk 1,200 crore in the process.

As of yesterday, the total number of listed securities on the Dhaka Stock Exchange stood at 530.