

Four non-resident Bangladeshis get CIP status

STAR BUSINESS DESK

The National Board of Revenue has recently awarded the CIP (commercially important person) status for 2015 to four non-resident Bangladeshis for their contribution to the country's economy through foreign currency investment.

Md Nojibur Rahman, chairman of the National Board of Revenue, handed the CIP cards to Arif Ahmed Choudhury, Asif Ahmed Choudhury, Sajera Choudhury and Mir Rasel Suna, at the NBR office in Dhaka.

The first three recipients are siblings.

The government presents CIP cards to encourage NRBs to invest in the country. In case of US Dollar Premium Bond and US Dollar Investment Bond, individuals with at least \$1 million investments are picked for the honour.

The cardholders will enjoy cabin facilities in public hospitals and will have open access to the Bangladesh Secretariat for a year.

Garment makers seek to build warehouses in India

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India has already allowed almost all globally renowned clothing retailers to operate in its market.

"If we are allowed to build warehouses in Gujarat, we will also be able to supply garment items to those retailers," the BGMEA chief added.

Islam said they also demanded removal of India's 12.5 percent countervailing duty (CVD) so that Bangladeshi garment makers can export more.

Although India provided duty-free and quota-free market access for all Bangladeshi goods, except 25 alcoholic and drug items, in November 2012, it levied the CVD the following year, which started hampering garment exports to India.

"I also demanded withdrawal of India's 4 percent state level special duty on apparel exports to India," Islam said.

Abdul Matlub Ahmad, president of the Federation of Bangladesh Chambers of Commerce and Industry, who led the 11-member team at the meeting, said Bangladeshi businessmen also demanded that both Benapole and Petapole ports remain open every day for smooth export and import activities.

On average, the two ports remain closed for three days a week, as it is a

holiday in Bangladesh on Fridays, while Saturdays and Sundays are holidays in India. "We want the ports to remain open round the clock," Ahmad told The Daily Star by phone.

"Our target is to develop the South Asian region just like the European Union. We thanked Modi for his announcement of regional connectivity initiatives through signing the trade deal," Ahmad said. "Modi was very positive in the meeting. We want Indian investment here. We want Indian partnership in constructing the deep seaport in Bangladesh. Modi agreed to our proposals."

In fiscal 2013-14, Bangladesh exported garment items worth \$96.26 million, rising from \$75.21 million in the previous fiscal year.

Bangladesh's overall exports to India were worth \$456.63 million in 2013-14, compared to \$563.97 million in the previous year.

Bangladesh's imports from India were recorded at \$6.03 billion in fiscal 2013-14 and \$4.78 billion in the previous year, according to data from the commerce ministry.

It is believed that India exports goods worth more than \$6 billion to Bangladesh a year through informal channels.

Eurozone bank stress tests set for 2016: report

AFP, Frankfurt

Europe's banking supervisory board will carry out stress tests of big eurozone banks in 2016, according to an interview with the watchdog's president Daniele Nouy released on Saturday.

"There will be a public and general stress test next year. It could only concern a part of the 123 banks that we supervise directly," Nouy was quoted as saying by German paper Die Welt.

Nouy, who heads the European Central Bank (ECB) supervisory board, gave no details on how the tests would be performed. Since November the Single Supervisory Mechanism (SSM), an autonomous unit within the ECB, has been Europe's banking watchdog and is directly responsible for monitoring 123 banking groups.



Md Sirajul Islam Varoша, chairman of Jamuna Bank, cuts a cake to mark the bank's 15th anniversary during a programme at its office in Dhaka recently. Moshle Uddin Ahmed, acting chief executive, was also present.



Ruhul Alam Al Mahub, president of Bangladesh Mobile Phone Importers Association; Raquibul Kabir, senior vice president; and Rezwanaul Haque, general secretary, attend a press conference in Dhaka recently. The association urged the government to reduce tax and VAT on imports of mobile handsets in the proposed budget.



Two non-resident Bangladeshis -- Arif Choudhury and Asif Choudhury -- receive the CIP status from Md Nojibur Rahman, second from left, chairman of the National Board of Revenue, at a programme at the NBR office in Dhaka recently.

Greece determined to reject EU reform proposals: ministers

AFP, Athens

Greece is determined to reject the EU's latest proposals on a default-saving loan deal, two senior ministers said Sunday, ahead of a crucial week for the struggling nation's reform talks. "It was an aggressive move designed to terrorise the Greek government," Finance Minister Yanis Varoufakis told Proto Thema daily, declaring "this Greek government cannot be terrorised".

The European Commission last week presented Greece with a five-page list of proposals, including sales tax hikes and cuts in civil servants' salaries and pensions.

Greek Prime Minister Alexis Tsipras on Friday blasted the proposals as "absurd" and insisted Athens would not accept a deal unless it included a restructuring of the country's massive debt.

Speaking at a G7 summit in Germany on Sunday Commission President Jean-Claude Juncker said Tsipras had promised to present a list of alternative reforms by Thursday evening, but had failed to do so.



Md Abul Quasem, deputy governor of Bangladesh Bank, inaugurates an agent banking outlet of Bank Asia at Mominikhar Hat of Faridpur on Wednesday. Md Arfan Ali, deputy managing director (CBO-SMR) of Bank Asia, was also present. The deputy governor also launched another outlet at Nowpara Bazar of Madhukhali upazila the same day.

NBR to widen reach of withholding tax

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Foreign shareholders of a company will also have to pay 30 percent source tax on dividend incomes, according to Finance Bill 2015.

Some 20 percent tax will be applicable to dividend incomes for companies. The same rate will apply to interest, royalty or commission.

Other services under the rate include legal and professional services, consultancy and tax consultancy, interior or landscape design, rent for satellite airtime or frequency, and advertisement broadcasting.

Machinery rental, courier service and advertisement making will be subject to deduction of 15 percent tax at source. The same rate of tax will also apply to capital gains on assets except shares of public companies.

Ten percent tax will apply to insurance premiums and capital gains for a company or firm's investment in listed securities.

Apart from specifying tax rate for foreigners and foreign companies, tax rate at source of commission or gross receipts on various services provided by local companies has also been specified.

Companies offering services such as catering, cleaning, contract or toll manufacturing, credit rating, event management, security, product processing, stevedoring or berth operation will face 10 percent advance income tax on commission or charge. The same rate will be applicable for mobile banking service providers, including technical service providers or service delivery agents.

The tax on indenting commission has been proposed at 7.5 percent, while 5 percent tax would apply on motor garage or work-

shop earnings, private container or dockyard service providers, and shipping agency commissions. Printing service and transport service providers will face 3 percent tax at source on their incomes, according to the Finance Bill, which is likely to be passed in parliament by the end of the month.

A 10 percent tax at source was fixed for various services before, but the services were not defined individually, the tax official said. "It created ambiguity for both taxpayers and us. Now it becomes clear for all," he said.

He said imposition of tax depending on professions and services provided by foreigners will also be helpful for both taxpayers and revenue officials.

"We expect to get more than Tk 100 crore through these measures," he said.

Md Aminur Rahman, a former member of income tax at the NBR, said the measures will eliminate ambiguity for both service providers and service recipients.

"However, tax collection will depend largely on enforcement and monitoring by the NBR," he said.

Rahman praised the initiative of specifying the tax rates for foreigners. "This will give a good signal to non-resident foreigners and encourage foreign investment," he said.

Towfiqul Islam Khan, a research fellow at the Centre for Policy Dialogue, said an increase in areas of withholding tax will facilitate higher revenue collection.

Withholding tax accounts for a major portion of income tax in developed countries and it should also increase in Bangladesh, he said. "This is a positive step to bring more people under the tax net and curb the scope of tax evasion."

DSE calls for full tax exemption

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Addressing a post-budget press meet at the DSE office, Bala also urged the government to pass the Financial Reporting Act, and form and implement the financial reporting council under the law to ensure transparency and accountability in the stockmarket.

"We hope the government will also continue the 10 percent tax waiver for the companies that declare dividends of 30 percent or more," he said. Terming the proposed budget market-friendly, Bala said the corporate tax cut for listed companies will encourage the non-listed ones to raise capital from the stockmarket.

Meanwhile, DSEX, the benchmark index of the Dhaka bourse, gained 26.27 points or 0.57 percent, finishing the first day of the week at 4,617.7.

The turnover, another important indicator of the market, also rose 29.85 percent to Tk 648.32 crore on transactions of 16.81 crore shares and mutual fund units.

The market started the day bullish after a capital market-friendly national budget proposed on Thursday, said LankaBanglaSecurities.

"But later, the market could not maintain the buying spree as investors became cautious," the stockbroker said.

Of the traded issues, 146 advanced and 117 declined, with 49 securities remaining unchanged on the premier bourse.

Summit Power dominated the turnover chart with 1.07 crore shares worth Tk 51.23 crore changing hands, followed by Beximco, Khulna Power Company, Beximco Pharma and Bangladesh Submarine Cable Company.

Pioneer Insurance was the day's best performer, advancing 9.96 percent, while Meghna PET Industries was the worst loser, slumping 6.66 percent.

Chittagong stocks also rose yesterday with the bourse's benchmark index, CSCX, increasing 26.79 points to 8,633.95. Gainers beat losers as 118 scrips advanced and 91 declined while 34 closed unchanged on the Chittagong Stock Exchange.

The port city bourse traded 2.18 crore shares and mutual fund units, generating a turnover of Tk 76.15 crore.

Asian cities: top destinations for visitors

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London and Bangkok have topped the Index throughout its five-year history. The rivalry is set to continue as Bangkok's visitor numbers continue to recover following civil unrest in 2014. Forecast international overnight visitors to the top 10 cities: London (18.82m), Bangkok (18.24m), Paris (16.06m), Dubai (14.26m), Istanbul (12.56m), New York (12.27m), Singapore (11.88m), Kuala Lumpur (11.12m), Seoul (10.35m) and Hong Kong (8.66m).

In addition, seven of the top 10 fastest growing cities by visitor number over the last six years are in Asia. Sri Lanka's capital city, Colombo, leads the pack, followed by Chengdu, the provincial capital of China's Sichuan province. Forecast top 10 fastest growing cities: Colombo, Chengdu, Abu Dhabi, Osaka, Riyadh, Xi An, Taipei, Tokyo, Lima and Ho Chi Minh City.

"Tourism is becoming an increasingly important source of income and employment for many Asian countries. This reflects the growing appeal of Asia as it continues to develop, led by the fast emerging Asean economies, China and India," said Matthew Driver, president of MasterCard for Southeast Asia.

"As countries compete for tourist receipts and seek to improve the visitor experience, it will be key for governments and tourist authorities to continue to invest in smarter city infrastructure while preserving and protecting the heritage - from monuments to cultural events - that makes their cities unique."

Dhaka is also included in the index which ranked 132 global cities, but the MasterCard report could not forecast the number of international visitors expected to travel to the capital city in 2015 because of a lack of official statistics.

WB approves \$476m for private firms, farm sector

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The project will also provide technical assistance for capacity building of the financial institutions and industry associations.

The financing institutions will lend at commercially determined rates and also offer Shariah-compliant financial products.

A finance ministry official said the project will be implemented through the BB. A committee led by BB governor will prepare a guideline on the size of the loan and the rate of interest on it.

The loan will be disbursed to the private sector through selected private banks, and the garments, footwear and light engineering sectors will be prioritised. The NATP II aims to support some one million poor, small and marginal farmers in 57 districts.

The farmers will benefit from stronger linkages with research, on-farm demonstrations of improved technologies, training and skills development, agricultural extension services and co-funding of productive assets, said the statement.

The project builds on the lessons learnt and the success of the first NATP project, said Patrick Verissimo, team leader of the NATP II project.

"The World Bank, along with other development partners, has long promoted agricultural technology and its adaptation to farmers in Bangladesh."

The NATP II would promote an integrated approach to help achieve food security, adapt to climate change and enhance nutrition through safer and more diversified food.



Tamim Iqbal, national cricketer, speaks at the signing of a brand ambassadorship agreement for MI Cement's Crown Cement at a programme yesterday. Md Khabiruddin Molla, managing director of MI Cement, and Md Alamgir Kabir, additional managing director, were also present.



Rezaul Karim, chairman of Midland Bank, opens the bank's new ATM booth at Gulshan-2 in the capital yesterday. Md Ahsan-uz Zaman, managing director, was also present.



KS Tabrez, managing director of Dutch-Bangla Bank, hands over blankets to Hari Kumar Shrestha, the ambassador of Nepal in Bangladesh, at a programme held in Gulshan, Dhaka recently. Atiur Rahman, governor of Bangladesh Bank, was also present. The bank donated 10,000 blankets to earthquake victims of Nepal.