

CSE calls for tax exemption for foreign investors

STAR BUSINESS REPORT

The Chittagong Stock Exchange yesterday urged the government to exempt overseas investors from taxes on dividend income to attract more foreign investment to the capital market.

Increasing the limit for tax-free dividend income to Tk 25,000 from Tk 20,000 a year is a good budgetary move by the government but the amount is "very small" for foreign investors, said Wali-ul-Marooof Matin, managing director of CSE, at a press meet at the port city bourse's Dhaka office.

"The foreign investors' interest in our stockmarket is gradually increasing and we need to give them some tax benefits so that they are encouraged to come and invest in our market."

He also urged the government to provide full tax exemption for five years instead of the existing partial exemption at graduated rates, so that it can invest for its infrastructural development in the demutualisation era.

"The shareholders of the bourse did not take any dividend last year and we are reinvesting the money for our technological and infrastructural development under the demutualisation scheme."

Before demutualisation in November 2013, the stock exchanges were non-profit cooperatives owned by the exchange members and were not subject to corporate tax.

But with demutualisation - a move which separated the bourse management from ownership - the bourses were con-

verted into profit-oriented companies owned by shareholders, and 35 percent corporate taxes applied to them as non-listed companies.

Under a graduated rate, the bourses will get full tax exemption in the first year of demutualisation, 80 percent in the second year, 60 percent in the third year, 40 percent in the fourth year and 20 percent in the fifth year.

From sixth year onwards, it will have to pay full taxes.

Matin also urged the government to reduce tax at source on share transactions to 0.015 percent from the existing 0.05 percent considering the current volatile situation of the market.

Terming the proposed budget market-friendly, he said the corporate tax cut for listed companies will encourage the non-listed ones to be listed on the stockmarket.

Meanwhile, stocks fell yesterday as investors went on a selling spree to book profits from the previous couple of days' gains.

DSEX, the benchmark index of Dhaka Stock Exchange, declined 75.43 points or 1.63 percent, finishing the day at 4,542.27 points.

"The investors were mostly churning their portfolios to safeguard stock positions," said LankaBangla Securities.

The turnover, another important indicator of the market, also fell 9.6 percent to Tk 586.05 crore on transactions of 15.01 crore shares and mutual fund units.

Chittagong stocks also fell yesterday with the bourse's benchmark index, CSCX,

Lotto top official due in Dhaka today

STAR BUSINESS DESK

Carlo De Carolis, head of operations for Lotto Sport Group, is due to arrive in Bangladesh today.



Carolis is an operation and supply chain management veteran and has been overseeing Lotto Group's shoes, apparels and accessories production, quality assurance, customer service and supply chain management since 2011, the company said in a statement.

He is also responsible for the general management of Lotto Sport Hong Kong Ltd, according to the statement.

Carolis will survey the Bangladesh market and examine Lotto's activities during his visit, especially with a view to expand Lotto's local business, the company said.

He will visit manufacturing facilities as well as some of Lotto's flagship outlets and also meet with government and nongovernment officials.

Carolis is an electronic engineer and also holds an MBA in addition to credentials in logistics and supply chain management.

Lotto's production of shoes, slippers, apparels and other accessories as well as their marketing in Bangladesh are operated by Express Leather Products Ltd.

Two banks join govt's e-purchase system

STAR BUSINESS REPORT

Eastern Bank and NRB Commercial Bank will now be able to collect fees and securities for the government's e-procurement system.

The Central Procurement Technical Unit (CPTU) yesterday signed separate memoranda with EBL and NRB Commercial Bank to this effect, which brought the number of banks involved with e-GP (government procurement) to 37.

The government plans to roll e-GP in all government procuring entities by 2018, Md Shahid Ullah Khandaker, secretary of the Implementation Monitoring and Evaluation Division, said at the signing ceremony.

The monitoring of the performance of procurement under e-GP is also done digitally now, and there is a 24-hour e-GP helpdesk at CPTU for bidders and procuring entities, he added.

Currently 1,875 government procuring entities under 96 agencies of 24 ministries procure through the e-GP system.

The payment gateway of the Dutch-Bangla Bank and Brac Bank is integrated with the e-GP system and allows the use of credit and debit cards for payments, the CPTU said in a statement.

Faruque Hossain, director general of CPTU; Dewan Mujibur Rahman, managing director of NRB Commercial Bank, and Hasan O Rashid, deputy managing director of EBL, signed the deals.

US praises efforts to remove investment barriers

FROM PAGE B1

While discrimination against foreign investors is not widespread, the government frequently promotes local industries and some discriminatory policies and regulations exist, it said. Scarcity of land is a significant investment constraint.

An important impediment to investment in Bangladesh is a weak and slow legal system in which the enforceability of contracts is uncertain.

Dispute settlement is also hampered by shortcomings in accounting practices and in the registration of real property.

With the exception of those conducted by a few internationally affiliated accounting firms, audits of balance sheets and profit and loss statements often follow clients' instructions and fail to conform to international standards.

Documents affecting title to real property are often not registered, complicating transfer of ownership and collateral agreements, said the State Department.

The report said many laws affecting investment in Bangladesh are old and outdated.

Bankruptcy laws, for example, which apply mainly to individual insolvency, are sometimes not used in business cases because of webs of falsified assets and uncollectible cross-indebtedness supporting insolvent banks and companies.

A Bankruptcy Act was enacted in 1997, but has been ineffective in addressing these issues.

It said the ability of the Bangladeshi judicial system to enforce its own awards is weak. Bangladesh's Export Promotion Bureau is sometimes helpful in facilitating dispute settlement for export-related transactions.

The report said corruption remains a serious impediment to investment and economic growth in Bangladesh.

While the government has established legislation to combat bribery, embezzlement and other forms of corruption, enforcement is inconsistent.

Funds for Rana Plaza victims reach \$30m target

FROM PAGE B1

The ILO supported the committee to design a coordinated arrangement for all victims of the accident based on ILO Conventions.

In January 2014, the ILO also established the Rana Plaza Donor Trust Fund to support the committee's efforts to finance the compensation scheme.

Bangladesh does not yet have a national employment injury insurance scheme to protect victims of accidents at work although the ILO is now working with the government, employers' and workers' organisations, donors and industry partners to establish one.

In this context, the full implementation of the Rana Plaza arrangement within a two-year period represents a very significant step forward, Ryder said.



Aminul Islam, managing director (current charge) of Bank Asia, poses with the recipients of Bank Asia Higher Studies Scholarship-2014 from Ashulia, Savar, Hemayetpur, Dakshinkhan, Konabari and Tongi areas on Saturday. Md Sazzad Hossain, senior executive vice president, was also present.



M Khorshed Anwar, head of direct business at Eastern Bank, and Ekramul Hoque, general manager of Hotel Sarina, attend the signing of a deal in Dhaka recently. During Ramadan, EBL cardholders paying with cards will enjoy 'buy one, get one free' offer for iftar with buffet dinner service at Amrit restaurant, 40 percent discount on rooms, 50 percent discount on banquet and 15 percent discount on dining at the hotel.



Dennis Michael Cuaycong, managing director of Totalgaz Bangladesh, poses at a programme to reward 159 distributors and dealers of the company to recognise their performance in 2014, on Saturday.



Zunaid Ahmed Palak, state minister of posts and telecom, attends the launch of the bundle savings account and an US dollar exporter retention quota account for outsourcing professionals in the ICT sector, at a programme in Dhaka recently. Standard Chartered Bangladesh in association with Bangladesh Association of Software and Information Services (BASIS) launched the accounts. Aditya Mandloi, head of retail client at the bank, and Shamim Hsan, president of BASIS, were also present.

Titas Gas Transmission & Distribution Co. Ltd.
[A Company of Petrobangla]
Titas Gas Bhaban
105, Kazi Nazrul Islam Avenue
Kawran Bazar Commercial Area, Dhaka-1215
Ref: ECCD/CCS/881.05 Date: 04/06/2015

Invitation for Tenders (IFT)

1	Ministry/Division	Ministry of Power, Energy & Mineral Resources/Energy & Mineral Resources Division.
2	Agency	Bangladesh Oil, Gas & Mineral Corporation (Petrobangla).
3	Procuring entity name	Titas Gas Transmission & Distribution Co. Ltd.
4	Invitation for	Survey, Design, Installation of CP System, Regular Maintenance, monthly monitoring of Cathodic Protection Stations and quarterly collection of PSP reading of the entire Metro Dhaka North & South Sales Divisional Area.
5	Invitation Ref No. & date	TGTDCL/ECCD/CCS/01/2015.
6	Procurement method	Open tendering method (Single stage two envelope).
7	Budget and source of funds	Company own finance.
8	Tender selling date	From 07-06-2015 to 28-06-2015 on all working days from 9:00 hrs to 13:00 hrs. No tender document will be sold on the date of opening of tenders.
9	Tender receiving date and time	On 29-06-2015 from 9:30 hrs to 12:00 hrs.
10	Tender opening date and time	On 29-06-2015 at 12:30 hrs.
11	Name & address of the office(s)	a) Selling tender document d) Accounts Department, TGTDCL, 105, Kazi Nazrul Islam Avenue, Kawran Bazar C/A, Dhaka-1215. e) Accounts Department, Petrobangla, Petrocentre, 3, Kawran Bazar, Dhaka. f) Accounts Department, BAPEX, 4, Kawran Bazar, Dhaka. b) Receiving tender document Office of the Deputy General Manager, Electrical & Corrosion Control Department, Titas Gas T&D Co Ltd, Titas Gas Bhaban (8 th Floor), 105, Kazi Nazrul Islam Avenue, Kawran Bazar C/A, Dhaka-1215. c) Opening tender document Office of the Director (Operations), Titas Gas T&D Co. Ltd, Titas Gas Bhaban (3 rd Floor), 105, Kazi Nazrul Islam Avenue, Kawran Bazar C/A, Dhaka-1215.
12	Eligibility of tenderer	a) Any firm who satisfactorily completed similar works of at least Tk 30,00 (thirty) lac under one number of contract over a period of 10 years as on the date of tender opening. b) Joint Venture, Consortium or Associations (JVCA) is not acceptable for this tender. c) Tenderer with a poor performance, consistent history of litigation or arbitration awards against it shall not be eligible for the tender. d) The tenderer(s) shall provide such evidence of their continued eligibility satisfactory to the employer, as the employer will reasonably request.
13	Price of tender document	BDT 4,000.00 (Taka four thousand) only.
14	Tender security amount	BDT 6,000,000.00 (Taka six lac) only in favour of "Titas Gas Transmission and Distribution Company Ltd".
15	Work completion time	730 (24 months) calendar days from the effective date of contract.
16	Should the submission date of tenders happen to fall on holiday, tenders shall be received and opened at the same time & place on the first subsequent working day.	
17	The procuring entity reserves the right to accept any and reject any or all tenders without any reason.	

Deputy General Manager
Electrical & Corrosion Control Department
Phone: +88028189368

Titas/PR-132/2014-15
GD-2056

Supermarket shoppers face bigger bills

FROM PAGE B1

In the proposed budget for fiscal 2015-16, the package VAT has been increased 27 percent to Tk 14,000 for the retailers and small traders of Dhaka and Chittagong city corporations.

For other city corporations, it has been raised 25 percent to Tk 10,000.

For municipality areas, Tk 7,200 has been proposed, which is an increase of 20 percent over the current year.

Revenue officials said the retailers usually collect VAT from customers in the form of profit, but customers cannot notice it as they are not charged directly.

Khan said the NBR had earlier taken an

initiative to ensure installation of electronic cash registers (ECRs) at all retail points, but the drive faded over time.

All retailers were supposed to have ECRs for proper collection of trade VAT, but that has not taken place.

"It appears that those of us who are using ECRs are suffering," the Meena Bazar official said, while urging the government to introduce package VAT for the supermarket sector to create a level-playing field for all.

In its opinion on the proposed budget, the Federation of Bangladesh Chambers of Commerce and Industry also urged the government to keep the trade VAT on supermarkets unchanged.

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