

Regulator moves to lodge stock cases directly with tribunal

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission has initiated a move that will enable stockmarket related cases to be filed directly with the special tribunal, instead of lower courts.

The stockmarket regulator recently sent a letter to the attorney general, seeking his opinion on the issue.

The matter came to light after the regulator failed to file a case directly with the special tribunal, as the existing ordinance does not allow it.

The regulator currently has to file stockmarket-related cases with the lower court first, and then transfer the cases to the special tribunal, which sometimes takes several months, officials said.

The commission will have to amend the existing ordinance to file any stockmarket-related case directly with the special tribunal, which was formed for quick disposal of share market-related lawsuits.

Before taking any decision on the

amendment, the commission wants to know from the attorney general whether there is any bar within the legal framework, the officials said.

Upon receiving the attorney general's opinion, the BSEC would ask the special tribunal judge to specify the shortcomings in the existing ordinance to lodge cases directly with the tribunal.

"The commission is working to amend its ordinance so that the special tribunal can perform more effectively," said Saifur Rahman, spokesman and an executive director of the BSEC.

The Securities and Exchange Ordinance 1969, which was amended in December 2012, empowered the government to set up special tribunals to deal with stockmarket-related cases, which are transferred to the tribunal from other courts. But there is no clause or indication on filing cases directly with the tribunal.

The special tribunal, since inception, has been dealing with cases that were transferred from different courts.

BB permits online payment of visa fees

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The central bank has allowed online payment of visa processing fees through international credit card (ICC) as per the requirement of concerned embassies and high commissions.

"ICC issuing banks may also issue virtual cards for individuals not holding ICCs to facilitate the online payment of visa processing fees," according to a circular issued by the foreign exchange policy department of Bangladesh Bank yesterday.

The banking regulator asked the banks concerned to bring the content of the circular to the notice of all parties involved.



Md Serajul Haq Khan, science and technology secretary, and Md Nazrul Islam, chairman of Bangladesh Council of Scientific and Industrial Research, attend the launch of a five-day training yesterday for the council's new recruits.

Citi's top official visits Dhaka

STAR BUSINESS DESK

Mary Neumann, global risk manager for banks, broker dealers and non-bank financial companies within Citigroup's Institutional Client Group, was in Dhaka for a one-day official visit, Citi said in a statement yesterday.

She works in partnership with risk colleagues in other regions to provide global coverage for all activities relating to these firms, according to the

statement.

Neumann met key clients, Citi officials and reviewed the bank's potential for further business growth in Bangladesh.

She assumed her current responsibilities in January 2010, the bank said. She has also worked as the senior risk manager for Citigroup private banks' US and Latin American regions.

Mary received her MBA from Columbia University in 1975.



Ahmed Kamal Khan Chowdhury, managing director of Prime Bank, opens the bank's 163rd ATM booth at Royal Tulip Sea Pearl Beach Resort in Cox's Bazar. Aminul Haque Shamim, managing director of the resort, was also present.

Insurers warned on money laundering, terrorist financing

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The Insurance Development and Regulatory Authority (IDRA) of Bangladesh yesterday asked life insurers to be cautious on money laundering and terrorist financing.

The fresh instruction came at a workshop to sensitise the chief executives and chief financial officers of life insurers, organised by IDRA at its office in Dhaka.

"Special audits are being carried out on six life insurance companies to examine their transactions," said IDRA Chairman Shefaqe Ahmed while inaugurating the two-day workshop.

"Gradually, other companies will also come

under the audit." He said developments are already there, but insurers need to do more to stop any sort of money laundering and terrorist financing through their companies.

Ahmed said IDRA has set up a financial intelligence cell to help the central bank deal with the money laundering issues.

He hailed the insurers for forming a central compliance unit and appointing a chief anti-money laundering officer at their respective companies.

The chief regulator asked the insurers to pay agents' commission by cheque, not in cash.

Senior executives of non-life insurance companies will be briefed on the subject today, an IDRA official said.

Garment buyers unnerved by security fears

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Some retailers have shifted the meeting to Hong Kong, Dubai, China, India and Thailand and asked the garment makers to go there instead.

"One of my American buyers cancelled his trip to Dhaka. We were supposed to hold a meeting on October 12, but he asked me to go to Dubai to attend the meeting," said Shahidullah Azim, managing director of Classic Group, one of the leading garment exporters.

"It is very sad that the garment sector becomes a casualty of external factors as always -- either it's political turmoil or security concern for foreigners."

This is the peak time to bag work orders for the fall season in the western world, he said.

If the retailers cannot come to Bangladesh during this important season, the garment makers will lose work orders again, he added.

Remittance continues positive run

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In the remaining four months, the numbers might hit five lakh, the official said.

Given the context, the central bank is hopeful of hitting this year's remittance target. Remittance income went up 7.65 percent year-on-year last fiscal year.

There are nearly one crore Bangladeshis living abroad. Their contribution accounts for about 60 percent of the country's foreign currency reserves.

Real-time settlement to go live on Oct 22

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The RTGS system will replace the existing deferred net settlement system, which takes 1-2 days for completion of transactions. At present, banks can clear high value cheques (Tk 5 lakh plus) by 3pm on the same working day and regular-value cheques by 5pm.

Electronic fund transfers are completed by 12 noon the following day.

NBR to form separate cell to check illicit outflow of funds

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The unlawful outflow ate away 1.1 percent of the country's gross domestic product, according to a report on "Illicit Financial Flows and Development Indices: 2008-2012" of Global Financial Integrity -- a Washington-based research organisation -- published in June.

Bangladeshi citizens' deposits with

various Swiss banks rose 36.02 percent year-on-year in 2014, according to a report of the central bank this year.

The NBR formed a team last week to prepare plans on how to bring back the laundered money and recover taxes. The committee submitted its report earlier this year.

In his budget speech, Muhith said the NBR is yet to make a significant

move for money laundering due to legal and administrative weakness and capacity constraints, although different global agencies are now working effectively to fight the illicit flow.

The government has undertaken a comprehensive plan to build the NBR's capacity to address the issue and exchange information for taxation purposes, he added.



KM Ali, chief executive of Partex Star Group, and Joynal Abedin, chief financial officer, pose at a cake cutting ceremony to launch the 2fun brand biscuit on Saturday. The biscuit will be available in milk, strawberry, chocolate and banana flavours.

High demand fuels potato prices

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A lack of availability of transport is also a factor behind higher prices, said Md Jasim Uddin, president of Bangladesh Cold Storage Association (BCSA).

"Farmers have stored lower quantities of potato this year than the previous year," he said.

Some 35 lakh tonnes of the vegetable, including seed potato, have been stored in cold storages this year, down from nearly 50 lakh tonnes the previous year, according to BCSA.

Farmers were reluctant to store larger amounts because of low quality of the harvest as well as the losses incurred last year.

Many farmers lost money during

early harvest of potato this year, hit hard by the almost three-month blockade enforced by BNP and allies since January 5.

Traders and farmers began to release tubers from cold storages in July.

Potato prices usually go up at the end of the season, Jasim said.

"It is nothing to get upset about, and potato prices are still lower than most other vegetables," he said.

An 84-kilogram sack of potato cost Tk 1,400 after Eid, up from Tk 1,300, 1,350 prior to the occasion, said Mostofa Azad Chowdhury, managing director of Motahar Group of Industries, which owns nine cold storages.

Prices of potato were high during the storage season early this year on speculation of reduced yield due to rainfall, he said.

The intense competition among cold storage operators to fill up their warehouses also fuelled prices, he said.

Farmers, however, are not making money despite the rise in demand and price.

"A lion's share of the increased prices is pocketed by the retailers and wholesalers," Chowdhury said.

Farmers bagged 92.5 lakh tonnes of potato in fiscal 2014-15, up from 89.5 lakh tonnes in the previous year, according to Bangladesh Bureau of Statistics.

Garment exports may take a hit from TPP

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The average tariff of Bangladesh is 55 percent, which is too high for openness of the country's business.

Once the TPP is finalised, other countries can enter the region as TPP plus. If no deal is brokered this time, then TPP's future is uncertain.

The main issues are biologics and the dairy trade between the US and Canada and New Zealand.

Telcos' investments lowest in five years

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Banglalink's revenue was Tk 4,365.15 crore and investment was Tk 1,384.77 crore in 2014-15. In the previous year, the figures were Tk 4,132.64 crore and Tk 2,190.02 crore.

Airtel, which awaits a merger with Robi, saw a fall in revenue as well as cuts in investments last year.

Airtel's revenue stood at Tk 1,397.65 crore, down from Tk 1,713.82 crore in 2013-14. Investments fell too, from Tk 1,744.73 crore in 2013-14, to Tk 377.25 crore in 2014-15.

Citycell, the oldest operator in the country, earned just Tk 134.79 crore in revenues last year, compared to Tk 230.52 crore in 2013-14.

The last investment expenditure by the operator was to the tune of Tk 490.4 crore in 2011-12, the BTRC report shows.

State-run Teletalk earned some Tk 753.69 crore, and invested about Tk 197.48 crore in 2014-15. The company's investment and revenue figures for 2013-14 were not mentioned in the annual report.

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