

এসআইবিএল রিটেইল ব্যাংকিং
জীবনের জন্য, জীবন যাপনের জন্য

এসআইবিএল ইসলামিক বন্ধুত্বমূলক ফাইন্যান্স
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Star BUSINESS

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Safety net outlay to go up 16pc

REJAUJUL KARIM BYRON

The allocation for safety net programmes is set to rise about 16 percent year-on-year to Tk 43,500 crore in the upcoming budget.

As a percentage of gross domestic product, the allocation for fiscal 2016-17 is not much of an improvement over the current year's: it will stand at 2.22 percent of GDP in contrast to 2.19 percent this year.

Given the recent fall in fuel prices, economists said the allocation for the 140 safety net programmes under the development and non-development budgets should have been raised more.

The government last year prepared a national social security strategy to bring all vulnerable citizens under the social safety net.

The plan did not materialise due to a fund crunch, said a finance ministry official. "But, it will be implemented gradually," he added.

However, in fiscal 2016-17, there will be various cash transfer programmes including allowance for the elderly and physically challenged people.

At present, Tk 5,364 crore has been allocated for 18 programmes under the social safety net scheme, which will be increased by more than Tk 1,000 crore in the upcoming fiscal year, said an official of the social welfare ministry.

Of the schemes, the biggest one is for the elderly, and the number of beneficiaries will increase 5 percent or by 1.5 lakh in the next budget.

At present, the total number of beneficiaries for old-age allowance is 30 lakh. Each beneficiary gets Tk 400 per month, and from next fiscal year it will be Tk 500.

More than one crore people will qualify for old age allowance if all poor people above 60 years were to be brought under



the social safety net scheme.

The government in the National Social Security Strategy plan also recommended giving Tk 800 as allowance per month to the beneficiaries.

Introduced in 1997-98 with four lakh beneficiaries who got Tk 100 each, Bangladesh's old-age allowance scheme has one of the lowest transfer values in the world.

It is well below the value of Nepal's senior citizens' allowance programme.

Due to fund constraints, the old-age allowance programme could not be expanded as much as the plan recommends, but efforts are ongoing to raise it gradually, said the finance ministry official.

The allowances for the widow, deserted and destitute women will be raised to Tk 500 from existing Tk 400 in the forthcoming year.

The number of beneficiaries under the programme, whose allocation is Tk 360 crore this year, will be increased to 7.5 lakh next fiscal year from existing 6 lakh.

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SC upholds order to close two mutual funds

STAR BUSINESS REPORT

The Supreme Court yesterday upheld the stockmarket regulator's decision on discontinuing two closed-end mutual funds after the expiry of the funds' tenure.

The apex court also scrapped a High Court verdict that had earlier declared illegal the Bangladesh Securities and Exchange Commission's decision on the closure of the twin mutual funds -- AIMS 1st Mutual Fund and Grameen Mutual Fund One.

It means the asset management company of the two mutual funds now has to liquidate the funds and return the money to their unit-holders.

There is no legal bar for the unit-holders to get back their money following the SC order, Attorney General Mahubey Alam told reporters after the verdict.

A mutual fund is a professionally managed collective investment scheme that pools money from many investors to invest in stocks, bonds and short-term money market instruments.

Earlier in 2010, the BSEC had decided that all closed-end mutual funds will be discontinued after their 10-year tenure.

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More individuals rank among the wealthy

SOHEL PARVEZ

The National Board of Revenue found an additional 779 individuals with more than Tk 2 crore in net worth last fiscal year, in its hunt for more taxes from the wealthy.

With the newcomers, the number of people paying wealth surcharge rose to 10,931 in fiscal 2014-15 from 10,152 a year ago, bringing the state coffers Tk 254 crore, which is a 22 percent rise year-on-year, according to the NBR.

Tax analysts said the number of individuals and the amount of col-

WEALTH SURCHARGE RECEIPTS



SOURCE: NBR

lected surcharge is much lower than the actual numbers.

"The actual number of wealthy people is much higher. It happens because a big portion of property is

shown at acquisition value," said Syed Md Aminul Karim, a former member of the tax policy at NBR.

"Many people bought property in Dhanmondi, Gulshan and Motijheel areas three to four decades ago and their net wealth is still assessed based on purchase prices at the time. If the NBR updates property value, a higher amount of surcharge will come to the coffers."

Land prices, particularly in Dhaka, surged in the last two to three decades amid rising population and real income.

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Businesses demand cuts in corporate taxes



Abdul Matlub Ahmad Siddiqur Rahman Rupali Chowdhury Hossain Khaled Mahbul Alam

REFAYET ULLAH MIRDHA

Business leaders are expecting a budget that would reduce corporate tax, as the cost of doing business is on the rise.

They also said the government should take up schemes to spur expansion of local industries and create more employment opportunities.

Abdul Matlub Ahmad, president of the Federation of Bangladesh Chambers of Commerce and Industry, called for bringing down corporate tax for export industries,

especially for garment and textile, to 18 percent from 35 percent now.

"I expect the government will put stress on the expansion of local industries and the utilisation of the expanded domestic market," Ahmad said.

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