MoneyGram ties up with Sonali Bank

STAR BUSINESS REPORT

MoneyGram yesterday announced its network expansion in Bangladesh by tying up with stateowned Sonali Bank, which will now offer the global money transfer company's services at all branches.

The tie-up will increase MoneyGram's network in Bangladesh to more than 6,000 locations, from which customers can pick up money sent from abroad.

"MoneyGram is committed to making its services easy and convenient for all of its customers in Bangladesh and the thousands of expatriates who remit money," said Sheshagiri Malliah, the company's regional relationship director for South Asia.

"By working with Sonali Bank, our customers will have more choice in when and where to collect MoneyGram transfers," he said adding that the deal will also strengthen their presence in Bangladesh, globally the eighth largest remittance receiving country in the world.

Malliah and Pradip Kumar Dutta, managing director and chief executive officer of Sonali Bank, signed the deal at The Daily Star Centre in

Dutta said Sonali Bank has a network of 1,207 branches across the country. "This partnership will enhance the money transfer services in Bangladesh and give better services to the customer base. Both the remitters and recipients will be benefitted," he said.



Sheshagiri Malliah, regional relationship director for South Asia at MoneyGram, and Pradip Kumar Dutta, chief executive officer of Sonali Bank, pose at an agreement signing ceremony at The Daily Star Centre in Dhaka yesterday. MoneyGram services will now be available at all branches of the bank.

MoneyGram has already teamed up with Al-Arafah Islami Bank, AB Bank, Mutual Trust Bank, Premier Bank, Jamuna Bank, IFIC Bank, Standard Bank, Eastern Bank, Janata Bank, Southeast Bank, Agrani Bank, Islami Bank, Uttara Bank, National Bank, Brac Bank, the City Bank and NCC Bank to provide money transfer services for clients.

MoneyGram offers services in more than 200 countries and territories through a global network of around 3.5 lakh agent locations, including retailers, international post offices and banks.

Islami Bank reappoints CEO for third term

STAR BUSINESS DESK

Mohammad Abdul Mannan has been reappointed as the chief executive officer of Islami Bank Bangladesh for a third term, the bank said in a statement yesterday.

He has been working in the capacity since 2010. Mannan recently

received 'The Asian Banker CEO Leadership

Achievement Award-2016' and the bank was judged as 'The Best Managed Bank in

Bangladesh' for the same

He is also the vice chairman of the Association of Bankers Bangladesh, treasurer and chairman of the Arbitration Committee of Bangladesh Foreign **Exchange Dealers** Association and the chairman of the Task Committee of Islamic Banks Consultative Forum.

Mannan obtained his master's degree from Dhaka University in

political science.



Md Sayadur Rahman, president of Bangladesh Merchant Bankers Association, presides over the association's 11th annual general meeting at Hotel 71 in Dhaka on Saturday.

২১তম বার্ষিক সাধারণ সভা

Rashidul Hasan, chairman of Uttara Finance, and SM Shamsul Arefin, managing director, attend the company's 21st annual general meeting at Spectra Convention Centre in Dhaka on Monday.

Germany slips out of global competitiveness top 10: study

REUTERS

Germany has slipped out of the top 10 most competitive economies in the world, falling two places to 12 from last year, a study by Swiss business school IMD showed on Monday.

The study, based on a worldwide survey of 5,400 managers assessing 342 criteria, showed that a diminished assessment of Germany's government and the economy's performance were the main reasons for the drop, IMD director Arturo Bris said.

"The biggest danger for Germany is self-satisfaction," Bris said. "If it rejects that, it will get back into the top ten."

Hong Kong came top in the survey this year, followed by Switzerland and the United States.



Md Yeasin Ali, chairman of Bangladesh Development Bank, opens the bank's 39th branch at Hemaetpur, Savar yesterday. Manjur Ahmed, managing director, was also present.

Brent crude lower on strong Middle East oil output REUTERS, London

Brent crude prices fell on Tuesday on rising output from the Middle East and ahead of an Opec meeting on Thursday, while US crude edged higher as the summer driving season began. Brent crude oil futures

were down 26 cents at \$49.50 a barrel by 1056 GMT, while US West Texas Intermediate (WTI) crude oil futures traded 9 cents higher at \$49.42 a barrel. Iraq will supply 5 million barrels of extra crude to its international oil company partners in June, industry sources familiar with the issue said, joining other Middle East producers by lifting market share.

Iraq, the second-largest producer in the Organisation of the Petroleum Exporting Countries, had already been targeting record crude export volumes from southern terminals next month of 3.47 million barrels per day.

Businesses demand cuts in corporate taxes

FROM PAGE B1

He also demanded reduction in the number of slabs in supplementary tax and hopes that the infant local industries will not face competition from finished imported products.

The VAT and tax nets need to be widened in order to get higher revenues, Ahmad added. The Foreign Investors' Chamber of

Commerce and Industry, a trade body of overseas investors in Bangladesh, suggested corporate tax should be brought down by 10-15 percent. FICCI also demanded increasing

the minimum taxable income ceiling to Tk 3 lakh from existing Tk 2.5 lakh.

Import substitute industries are producing intermediate goods consuming imported materials and they face severe competition in international market due to payment of advanced income tax (AIT) at 5 percent and tax deducted at source at 5 percent, it said.

"Therefore, FICCI expects a reduction of AIT from 5 percent to 1 percent for the manufacturing industries," said FICCI President Rupali Chowdhury.

Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association, demanded reinstatement of 10 percent corporate

tax for the garment sector. The BGMEA said the apparel sector should be kept out of the VAT purview as garment exporters are already entitled to the duty drawback system.

Duty drawback is the rebate of for transparent taxpayers. duty chargeable on imported materials used in the manufacture and claim drawback or refund of excise and customs duties paid by his suppliers.

"If the sector is kept out of VAT, exporters will not face any hassle for duty drawback," Rahman said.

The budget should look to rationalising the cost of doing business, and simplifying the tax rules, regulations and processes, said Hossain Khaled, president of Dhaka Chamber of Commerce and Industry.

He also called for creating a better local and foreign investment ecosys-

Khaled also said the proposed 15 percent VAT under the new law needs to be abolished.

The existing package or fixed VAT

needs to continue until 2021 with gradual increases annually for the greater interest of micro, small and medium enterprises. In a stark contrast to other cham-

bers and trade bodies, the foreign investors' chamber strongly recommended the implementation of the new VAT law.

The FICCI said the existing law has addressed many businessunfriendly issues like price declaration and restriction on rebate in

some cases. Price declaration is the most comolicated system with lots of ambiguity, which often leads to harassment

"However, if, for any reason, the implementation of the new law is export of goods. The exporter may delayed, FICCI strongly recommends withdrawal of the price declaration system with immediate effect," she added.

> The Dhaka chamber said the government should allow the investment of undeclared money in the manufacturing and real estate sectors and infrastructure bonds. In addition, effective project

> implementation and monitoring measures must be in place to expedite mega infrastructure projects and economic zones for attracting investment, Khaled said.

Rahman of BGMEA also demanded duty-free import of all kinds of fire safety equipment so that factory owners can install them at lower costs.

The tax at source should be reduced to the previous rate of 0.3 percent from the current rate of 0.6 percent, as exporters have been facing challenges in doing business, Rahman added.

"We want bank loans at a singledigit interest rate for bringing more investment to industries. We want a business- and investment-friendly budget," said Mahbubul Alam, president of the Chittagong Chamber of Commerce and Industry.

"The budget should at first attract domestic investment and then foreign direct investment to create more employment opportunities."

Safety net outlay to go

The programme started in fiscal

2005-06 with a budget of Tk 25

crore; each person was given Tk 200

More individuals rank among the wealthy

Between 1972 and 2010, land prices in the capital grew by 100-125 percent a year, Sadiq Ahmed, vice chairman of the Policy Research Institute of Bangladesh, told The Daily Star earlier.

Similarly, apartment prices also rose over the years.

Karim said NBR would get at least Tk 1,000 crore in surcharge if it updated property value based on the income and wealth statements submitted by taxpayers. "A property valuation unit should have

been formed at the NBR. This can also be done now. This area has a very high revenue potential." The government introduced wealth sur-

charge in fiscal 2011-12 as an alternative to wealth tax, to ensure equitable distribution of wealth and reduce economic disparity. In the first year, the state got only Tk 65

crore after the government imposed a 10 percent surcharge on net wealth worth over Tk 2 crore.

Later, new slabs were created to collect the tax at a higher rate from the wealthy.

In the outgoing fiscal year, a person with a net wealth of over Tk 2.25 crore but less than Tk 10 crore faces a 10 percent surcharge on their payable tax. A 15 percent surcharge

is applicable to net wealth of more than Tk 10 crore, but less than Tk 20 crore.

Persons having a net wealth of more than Tk 20 crore but less than Tk 30 crore face a 20 percent surcharge; it is 25 percent for those

with a net wealth of more than Tk 30 crore. Ahsan H Mansur, executive director of PRI, termed the imposition of wealth surcharge on payable tax as a wrong way to collect revenue. "This is not becoming a tax

on wealth," he said. The rate of income tax has been increased by imposing the surcharge on payable income tax, he added.

He suggested NBR properly value property because people who buy land or apartments at a higher price now come under the wealth surcharge tax net. But those who bought properties earlier at lower prices

remain out of the purview, he added. Towfiqul Islam Khan, research fellow at the Centre for Policy Dialogue, sees the rise in the number of persons paying surcharge

and the revenue collected as positive. "In an absence of appropriate property taxes, such surcharge can contribute to socio-economic justice in Bangladesh. There is no doubt that more rich people can be brought into the surcharge category. The NBR should continue its efforts."

SC upholds order to close two mutual funds

FROM PAGE B1

The regulator in June last year instructed the asset manager of the two funds to redeem the funds or convert those into open-ended funds within December the same year.

But Ali Zaman, a unit holder, filed a writ the SC, challenging the HC verdict.

petition with the HC, challenging the legality of the BSEC decision. Following the petition, the HC in December last year declared illegal the regulator's decision on the discontinuation of the funds.

The regulator then filed an appeal with



Harun Ar Rashid, deputy managing director of Super Star Group, and Marco Aurelio Mimoso Santos, chief executive of Grupel, pose at an event to sign an exclusive distributorship agreement at Grupel's headquarters in Portugal.

women will be extended to all 10 municipalities.

up 16pc

FROM PAGE B1

per month then. The allocation for it is Tk 360 crore. The maternity allowance programme for the poor lactating

municipalities next fiscal year. At present, the scheme is being run in The fund to provide assistance to

cancer, kidney and liver cirrhosis patients will be raised by Tk 10 crore to Tk 30 crore.



Md Shafiqur Rahman, managing director of Social Islami Bank, opens the 118th branch of the bank at Burichong Bazar in Comilla. Tarik Morshed, deputy managing director, was also present.