

Swiss offer tough Brexit lessons for Britain's banks

REUTERS, Zurich
As Britain's banks make their case for retaining unrestricted access to the single European market after Brexit, the efforts of their Swiss counterparts offer little cause for optimism.

Non-EU member Switzerland's banking sector has been battling for more than half a decade to win full access to the EU market. Yet squabbles over immigration at home and political obstacles in Brussels have hindered progress.

"This is not something that's going to happen in the next five years," said Jan Langlo, managing director of the Association of Swiss Private Banks (ASPB). The Swiss finance minister even suggested last month that a deal on financial services might be impossible.

The travails of Switzerland exemplify the tough and frustrating battle that could be ahead for Britain to prolong banks' ability to serve the entire EU from London - commonly referred to as passporting rights - after Brexit.

And, while there are fundamental differences between the two countries' financial sectors, the workarounds Swiss banks have used to mitigate their lack of pan-European access offer a guide to the options Britain's lenders could explore.

Instead of waiting for a political breakthrough, Swiss banks requiring single market access, including UBS, Credit Suisse and Julius Baer, have set up

subsidiaries in Frankfurt and Luxembourg in the EU, incurring extra costs and regulation.

This has come at a cost to the Swiss financial centre, with banks moving thousands of jobs out of Switzerland. The ASPB has warned an increasing number of positions will be filled abroad without simplified EU access.

The current set-up of having to set up subsidiaries is not ideal but banks recognise it is the best they can hope for right now, said Marc Raggenbass, a regulatory, compliance and legal partner at Deloitte in Switzerland.

"They are not 100 percent happy but they live with it."

At the same time, officials are seeking to strike deals with individual European countries to allow Swiss banks to sell their services there, and negotiating "equivalence" for Swiss financial rules in the EU to allow lenders limited market access in some business areas.

Switzerland uses more than 100 bilateral agreements with Brussels to give various industries unrestricted access to the single market and in return it adheres to core EU principles including the free movement of people.

But financial services are not among the web of Swiss-EU accords as, for years, Switzerland's banks viewed deeper EU ties with suspicion, fearing they could jeopardise secrecy rules which helped the country become a global tax haven.



A Rouf Chowdhury, chairman of Bank Asia, and Rumea A Hossain, chairman of the board executive committee, pose with the participants of the 39th foundation training course of the bank, at its concluding ceremony at Bank Asia Institute for Training and Development in Dhaka yesterday.

Top rate of Indian GST likely to be 28pc

REUTERS, New Delhi
India's federal and state governments are likely to approve four main tax slabs ranging from 5 to 28 percent under a proposed Goods and Services Tax (GST), the finance minister of the state of Jammu & Kashmir said on Thursday.

The long-delayed tax, which would transform Asia's third largest economy into a single market, could boost revenues through better compliance while making life simpler for business that now pay a host of federal and state levies.

The brackets, discussed at a meeting of the GST Council overseeing plans to introduce the national sales tax next spring, are steeper than the rates of 6, 12, 18 and 26 percent earlier proposed by the government.

"There was a broad consensus on four rate slabs," Haseeb Drabu, state finance minister for Jammu & Kashmir told reporters after attending the GST Council's meeting.

Foodgrains are likely to be exempted from the GST, and tobacco products may be taxed at 40 percent, he said. Thomas Issac, state finance minister of Kerala said the council had yet to decide on the

controversial issues of additional levies on luxury items and so-called "dual control" of tax administration by federal and state tax officials.

Finance Minister Arun Jaitley will seek parliamentary approval for bills later this month that would set the rate and scope of the GST. State assemblies must also to approve similar bills for the tax to enter force as planned next April 1.



BRAC Bank CEO Selim RF Hussain presents the bank's financial results for the third quarter of 2016, at a programme. Chief Financial Officer Parvez Sajjad is also seen.



Commerce Minister Tofail Ahmed opens the fourth edition of Leathertech Bangladesh-2016, at International Convention City Bashundhara in Dhaka on Wednesday. The three-day fair ends today.

Citycell gets new deadline to pay dues

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If the mobile operator fails to pay Tk 100 crore to the telecom regulator by November 19, Bangladesh Telecommunication Regulatory Commission can cancel its spectrum again, the SC said in its order.

The apex court also formed a three-member committee headed by Prof Jamilur Reza Choudhury to settle the issue between BTRC and Citycell.

On October 20, BTRC cancelled the spectrum of Bangladesh's first mobile operator that served users for more than two decades. Citycell filed the petition seeking its spectrum allocation on October 24, five days after BTRC's suspension order.

Citycell's dues include the spectrum

renewal fee of Tk 229 crore, annual licence fee of Tk 10 crore, annual spectrum fee of Tk 27.14 crore, VAT Tk 39.92 crore and late fees of Tk 135 crore, according to a BTRC notice.

The operator owes BTRC Tk 477.69 crore, and in September, the apex court ordered Citycell to pay two-thirds of the amount, Tk 318.42 crore, by October 19. The operator managed to pay Tk 130 crore.

In the petition, the mobile operator claimed that it paid Tk 130 crore to BTRC and Tk 14 crore to the National Board of Revenue in instalments.

Earlier on July 31, the regulator asked Citycell customers to switch to other operators by August 16, as it had decided to suspend its operations.

GSP appeal to be placed in Ticfa meet in Dec

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To fulfil the 16 conditions, Bangladesh amended the labour law in July 2013 with the provision of full freedom of association by the workers at the factory level, inspection of fire, electrical and structural safety by the Accord, Alliance and the National Initiative.

The launch of hotlines in the factory and publishing a publicly accessible website on the details of the garment factories, recruitment of nearly 300 new factory inspectors, and strengthening the Department of Inspection for Factories and Establishments were also some measures taken.

The government has also withdrawn cases against two labour leaders and confiscated the assets of the absconding suspected killer of labour leader Aminul Islam to fulfil the conditions.

The US is Bangladesh's single largest export destination. Bangladesh exports mainly garment items to the US, and the item accounts for nearly 95 percent of the total exports to the American market.

Earlier, the first Ticfa meeting was held in Dhaka in April 2014 and the second one was held in Washington in November last year.

In the second meeting, the US discussed market access for goods and services, and the tariff structure on fire, electrical and structural equipment, as Bangladesh would have to import those items.

Matters related to public tender specification, insurance of labour, cotton, diabetic drugs, currency exchange rates and delayed payment, and intellectual property rights were also discussed in the second Ticfa meeting.

Adidas profits leap higher on strong own-brand sales

AFP, Frankfurt
German sportswear group Adidas on Thursday reported a jump in third-quarter profits, lifted by a surge in sales of its own-brand trainers and apparel.

The Bavarian company, which sponsors English Premier League giants Manchester United, also confirmed its improved outlook for the year, bolstered by high-profile sponsorships during the Euro 2016 football tournament and the Rio Olympics, as well as collaborations with big names like Kanye West.

"2016 will be a record year for the Adidas group with truly exceptional results," new chief executive Karsten Rorsted, who took the helm on October 1, said in a statement.

For the July to September period, the group's net profit soared by 24 percent to 386 million euros (\$428 million) compared to the same period a year earlier.

Group revenues grew by 14 percent to 5.4 billion euros.

The Adidas brand itself, famed for its three-striped logo, saw global sales jump 20 percent, driven by strong demand for its retro-inspired adidas Originals trainers and its adidas neo urban fashion line.

Sales of its Reebok brand were up seven percent.

Both brands did particularly well in China and the United States, allowing the Adidas group to gain ground on its main rival Nike.

Govt creating 'land bank' of 100,000 acres

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China has been granted 700 acres of land and the allocation of this land has already been completed, he said.

Special economic zones are being developed on a fast-track basis, Azad said, adding that the government also plans to form a separate authority to handle the skills issue of manpower.

Finance Minister AMA Muhith, who spoke on the occasion as chief guest, said the government is now getting lots of investment proposals from foreign investors and some of the proposals are big ones.

"One such big foreign investment proposal is the construction of Dhaka-Payra rail line," he said. Anis A Khan, chairman of the Association of Bankers Bangladesh and managing director of Mutual Trust

Bank, said the programme will create awareness about PPP among the lenders.

He, however, said lots of development projects are being implemented, so there must be discipline in the works as well.

Khan also requested the government to give incentives to investors of PPP projects so that they are encouraged to come up with their investments. Earlier, Afsor H Uddin, chief executive officer of the PPP Authority, presented an overview of the PPP programmes in Bangladesh.

He said the authority has principally given approval to 44 PPP projects worth \$14 billion. Contracts have been signed for eight projects worth \$1.5 billion.

Eunusur Rahman, secretary of the banking and financial institutions division, also spoke.

US jobless claims rise at October's end

AFP, Washington
First-time claims for US unemployment benefits rose in the final week of October but the extended trend of low levels persisted, the Labor Department reported Thursday.

Initial claims rose 7,000 to 265,000 seasonally adjusted in the week ending October 29, its highest point in three months. The result was above the consensus among analysts for 256,000.

Even with the increase, the result marked an 87-week streak of initial claims for unem-

ployment insurance below 300,000, which the Labor Department said was the longest run since 1970.

The four-week moving average for first-time claims rose slightly with the latest increase, to 257,750, up 4,750 from the previous week.

The Labor Department is due to release the monthly employment report Friday which will be the last look at job creation and the unemployment rate before Tuesday's bitterly-contested presidential election, in which the economy has been a major issue.



Mohiuddin Ahmed, vice chairman of Shahjalal Islami Bank, opens the 95th branch of the bank in Thakurgaon yesterday. Farman R Chowdhury, managing director, was also present.



Social Islami Bank Managing Director Md Shafiqur Rahman and Bhuiyan Fabrics Managing Director Md Mostofa Monwar Bhuiyan exchange the signed documents of a payroll banking agreement at a programme.