

আপনার সংসার গুছিয়ে দিচ্ছি আমরা

এসআইবিএল ইসলামিক কনজুমার ফাইন্যান্স

আপনার সংসার পোছানোর আসবাবপত্র, পিছা সামগ্রী, ইলেক্ট্রনিক ও অন্যান্য জোশপণ্য কেনার সুন্দর সমাধান দিচ্ছি আমরা।

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যে কোন প্রয়োজনে ০৯৬৯২০০৯২২



# Star BUSINESS

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## State banks still dogged by malpractices

Muhith says some banks give large loans without collateral

**STAR BUSINESS REPORT**

State banks continue to be afflicted by large-scale financial felonies despite the government efforts in recent years to stop picking up board members on political consideration.

"Not that we are always successful, as bad hats also make their way to the board," Finance Minister AMA Muhith told reporters at the secretariat when he was asked about the loan scandal at state-owned Rupali Bank.

Rupali has lent Tk 151 crore to a gold trader in Feni without much scrutiny. Of the amount, Tk 60 crore was approved by the board and the remaining Tk 73 crore was lent without any approval, the Prothom Alo reported yesterday. Documents related to the loans have disappeared.

A number of branch managers admitted that the loans were given to gold trader Anwar Hossain because of instructions from 'the top', indicating the management and the board.

The role of a deputy managing director has also come under question.

"Irregular activities take place in the banking sector. Large loans are given without collateral. In many cases acquaintances get loans -- and particularly those who are acquaintances with the people in the board

and management."

To contain the irregularities in the banking sector, people from different spheres of society are made members of the board.

"There was a time when we used to put many people in the board on political considerations. But this has come to a stop for a long time now."

"More or less, we appoint board members on the basis of their expertise. The existing boards of the banks are more objective and public-spirited."

He said the dismissal of managing directors from state banks has taken place under the current government. "That should be a sign -- we are strict to a considerable extent."

In May 2014, the central bank removed BASIC Bank Managing Director Kazi Faqurul Islam for failure to take actions after a host of financial irregularities involving about Tk 3,500 crore had been detected at the bank between 2012 and 2013.

The case at Rupali Bank brought to the fore the fact that the state-run banks in Bangladesh are far from overcoming the serious financial irregularities that have been dogging the sector for the last several years.

Continued weakness in the state-owned banks could undermine growth prospects and affect fiscal sustainability, said the World Bank in October.

## Muhith submits tax returns online

**STAR BUSINESS REPORT**

Finance Minister AMA Muhith, the only minister to disclose his entire income and assets, continued with the practice this year and submitted his tax return online.

Muhith submitted his tax return in his secretariat office in presence of NBR Chairman Md Nojibur Rahman.

In fiscal 2016-17, Muhith's net asset stood at Tk 1.98 crore, according to his tax statement.

When he took charge of the finance minister in 2009, his net asset was Tk 1.15 crore.

For the current fiscal year, he paid tax of Tk 2.12 lakh against the income of Tk 34.25 lakh.

The finance minister said all his income is not taxable: the income he gets from investing the money he earned abroad is tax-free.

This year, Tk 13.37 lakh out of his total income is tax-free and Tk 20.91 lakh taxable.

Replying to a query from journalists, Muhith said the ministers submit their tax return to the Prime Minister's Office; if anybody wants to know about the income and assets of other ministers he/she would have to contact the PMO.

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Commerce Minister Tofail Ahmed, Bank Asia Chairman A Rouf Chowdhury, and former chairman Anisur Rahman Sinha cut a cake to mark the 17th founding anniversary of the bank at a function at International Convention City Bashundhara in Dhaka on Sunday. Vice-chairmen Mohd Safwan Chowdhury and AM Nurul Islam, Chairman of Board Executive Committee Rumea A Hossain, and Managing Director Md Arfan Ali were also present.

## Market lost \$27b to price debacle in 2010: ADB

**STAR BUSINESS REPORT**

Bangladesh's capital market had lost about \$27.1 billion or 22 percent of the country's gross domestic product (GDP) to the price debacle in 2010-11, according to a report of the Asian Development Bank.

"Banks and retail investors were significantly affected," said the validation report -- Bangladesh: Second Capital Market Development Programme -- that was released last week. Regulatory oversight in the banking sector and fragmented supervision

by the stockmarket regulators were the major reasons behind the crash.

The report said, in 2009 commercial banks were required by Bangladesh Bank to establish separate merchant bank subsidiaries for capital market activities, intended to limit the exposure of the banking system to the markets.

The central bank retained supervisory responsibility for commercial banks, while Bangladesh Securities and Exchange Commission was responsible for merchant banks, leading to fragmented sector supervi-

sion. "Banks also contributed to the stockmarket boom, driving up share prices by investing their own capital in listed shares, which had the effect of reducing funds available to be lent to corporate and other borrowers," it said.

Banks and non-bank financial institutions also lent funds to retail investors for the purpose of stock market investments.

The key index of Dhaka Stock Exchange rose to its highest level at 8,918 points on December 5, 2010.

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## BTRC warns Robi for bypassing ICXs

**MUHAMMAD ZAHIDUL ISLAM**

The telecom regulator has sent a warning letter to the newly merged mobile operator Robi as it has already started bypassing interconnection exchanges to make calls between Robi and Airtel.

Without fulfilling all conditions and paying all fees and charges, the merged entity cannot be treated as a single operator, said senior officials of Bangladesh Telecommunication Regulatory Commission.

About 1.5 crore minute calls are generated a day between the two operators, yielding about Tk 6 lakh to ICX operators. The government gets 65.67 percent of the sum.

On November 16, Robi received the green light from the Office of the Registrar of Joint Stock Companies and Firms for the merger and right away started bypassing ICX exchanges to send calls from 018 to 016 or vice versa, according to a top ICX exchange company. Mobile operators are legally bound to route calls through interconnection exchanges or ICXs to connect with each other.

"From 3am on November 17 we are not getting any calls from Robi and Airtel," said Aminur Rahman, general secretary of the ICX Association, a grouping of 23 members.

The association informed the regulator about the matter the following morning, Rahman added.

"We have sent Robi a warning letter and if they do not comply with it they will get a show-cause letter and ultimately will be punished," said a senior official of BTRC.

The merged entity is claiming that all formalities have been completed, he said. "But both Robi and Airtel are yet to get the no-objection certificate from all the departments of the BTRC -- there are different issues pending," said the official.

Robi has to pay a total of Tk 407 crore in spectrum and merger fees, according to the BTRC's calculations. But it has so far paid Tk 318.32 crore and is claiming that it has no other outstanding amount.

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## \$81M CYBER HEIST Philippines president cancels meeting with Bangladesh team

**STAR BUSINESS REPORT**

The high-level Bangladesh team visiting the Philippines to recover the rest of \$81 million could not meet President Rodrigo Duterte yesterday after he cancelled the meeting in a last-minute decision, officials said.

Duterte was supposed to meet with the team led by Law Minister Anisul Huq at 2.30pm but he had to bail out "due to pressing matters that demand the president's immediate attention", said Ernesto Abella, presidential spokesperson, according to the Daily Inquirer and BloombergNews.

There were reports that President Duterte "passed out" on his way to attend a meeting. The Presidential Palace denied the reports, according to the Inquirer.

Abella said the representatives of the Bangladeshi government had met with the appropriate heads of agencies to discuss their concern regarding the stolen \$81 million, according to Bloomberg.

Encouraged by the recovery of a fraction of the \$81 million lost in a cyber heist in February, Bangladesh sent a team to the Philippines on Saturday with the objective to repa-

triate about \$66 million.

The team included Abdur Razzak, chairman of the parliamentary standing committee on finance, Bangladesh Bank Governor Fazle Kabir, Attorney General Mahubey Alam and Banking Secretary Eunusur Rahman.

So far, Bangladesh has managed to bring back \$15.25 million.

On November 12, Bangladesh received the money in cash from the Anti-Money Laundering Council of the Philippines after a Filipino court in September ruled that the BB is the rightful owner of the money surrendered by casino boss Kim Wong and his Eastern Hawaii Leisure Company.

The money has already been deposited into the BB account with the NY Fed.

The AMLC has accounted for \$60 million of the stolen money, but the other \$21 million is yet to be traced.

Bangladesh is relying on a commitment made by the then Rizal Commercial Banking Corp President Lorenzo Tan that, if found liable, the bank, at the centre of the money-laundering scandal to hit the country, would voluntarily compensate Bangladesh for its losses.

"In the Senate hearing, they had

informed [the public] that if RCBC was made liable, they would take it to their board to compensate [Bangladesh] with \$50 million. This amount was very clearly mentioned," Bangladesh's Ambassador to the Philippines John Gomes said in an interview with the Inquirer.

The Bangladeshi team was also set to meet the Philippines' Senate President Aquilino Pimentel III, Justice Secretary Vitaliano Aguirre II, Finance Secretary Carlos Dominguez III and Bangko Sentral ng Pilipinas Governor Amando Tetangco Jr during their four-day visit.

Yesterday, Finance Minister AMA Muhith said the position of the Philippine government should be lauded.

"They held investigations and are returning the money to Bangladesh. The RCBC president also said they would make sure Bangladesh gets the whole amount. I think Manila's action is most laudable," he told reporters at the secretariat in Dhaka.

He said Bangladesh's ambassador to the Philippines attended the Senate hearing every day and gave the government good feedback. "I feel very happy."

## Capital market expo kicks off Thursday


**STAR BUSINESS REPORT**

A three-day exposition on the capital market will begin in Dhaka on Thursday, in a bid to promote the stockmarket, which is suffering from high volatility since the price crash in early 2011.

Commerce Minister Tofail Ahmed will inaugurate the Bangladesh Capital Market Expo 2016 at the Institution of Diploma Engineers, Bangladesh. An online financial newspaper -- arthosuchak.com -- is organising the event, which will remain open to visitors from 10am to 8pm.

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আমরা শোকাহত



এনসিসি ব্যাংক লিঃ এর অন্যতম উদ্যোক্তা ও সাবেক ভাইস চেয়ারম্যান জনাব মোস্তাফিজুর রহমান ২৭ নভেম্বর, ২০১৬ রবিবার বিকাল ৪ টায় রাজধানীর একটি হাসপাতালে ইন্তেকাল করেন। (ইন্মালিগ্নাহি ওয়া ইনা ইলাইহি রাজিউন) তাঁর মৃত্যুতে এনসিসি ব্যাংক পরিবারের সকল সদস্য গভীরভাবে শোকাহত।

আমরা মরহুমের আত্মার মাগফেরাত কামনা করছি এবং শোক সন্তপ্ত পরিবারের প্রতি আন্তরিক সমবেদনা জ্ঞাপন করছি।

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এনসিসি ব্যাংক  
আপনার সাথেই সকলমুহুরা

## A lot remains to be done for workplace safety: Bernicat

**STAR BUSINESS REPORT**

Bangladesh still needs to do a lot more to ensure workers' safety, although fire and building safety has improved significantly in the garment sector, US Ambassador Marcia Bernicat said yesterday.

"The RMG industry and the government of Bangladesh have work yet to do to ensure that they are fully protecting the lives of workers under Bangladeshi law, including the right to organise, bargaining collectively and raise safety concern," Bernicat said.

The workers do not have the ability to speak on fire and other safety

concerns, she said, speaking at a seminar on 'the state of fire safety in Bangladesh' co-organised by Bangladesh Fire Service and Civil Defence and International Labour Organisation at Sonargaon Hotel in Dhaka.

"We witnessed significant progress in fire and building safety. Since 2013, nearly 4,000 factories have been inspected for structural, electrical and fire safety," she said.

The Accord and the Alliance are inspecting over half of the factories to strengthen workplace safety.

A lot more work remains to be done; it is way too early to anticipate whether the mission would be

accomplished, said Bernicat as the tenure for both Accord and Alliance will come to an end in July 2018.

Still, work is needed from both inside and outside the garment sector, to ensure that the factories become safe and all the workers receive safety training and new factories meet equally stringent safety standards, she said.

The government, ILO, and the Accord and the Alliance have provided support and worked in thousands of factories to implement the remediation plans and enforced the standards when the factory owners did not comply, she added.

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