



NBR HONOURS TOP VAT PAYERS

Finance Minister AMA Muhith, Commerce Minister Tofail Ahmed, State Minister for Finance MA Mannan, NBR Chairman Md Nojibur Rahman and FBCCI Vice-president Md Shafiu Islam Mohiuddin attend a programme to award top VAT payers at the NBR headquarters in Agargaon, Dhaka yesterday. Story on B1

STAR

Vietnam arrests five bankers for 'mismanagement'

AFP, Hanoi

Vietnam has arrested five former bank employees for alleged mismanagement, including an ex-managing director and his deputy, the latest executives to be punished in the scandal-hit sector.

Tran Phuong Binh, his deputy Nguyen Thi Ngoc Van and three others were arrested for "violating laws on financial and banking activities", according to a statement from the partially state-owned Dong A Bank on Saturday.

The statement did not elaborate on what crimes the five are accused of, but state-run Thanh Nien newspaper said Binh is suspected of causing major financial losses as a result of poorly managed loans.

All five were originally dismissed in August 2015, Dong A Bank's statement added, when the bank was put under special supervision for suspected illegal activities, according to reports.

Dong A Bank, one of the country's smaller banks and based in Vietnam's financial hub Ho Chi Minh City, was established in 1992 and lists the city's communist party office as one of its major shareholders.

Taxpayers cross 25 lakh

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This measure, taken to increase collection of payroll tax, has boosted TIN registration, said a senior NBR official.

The NBR also launched a call-centre so that taxpayers can get answers to their queries related to the new VAT law, which will come into effect from July 1 next year.

Finance Minister AMA Muhith inaugurated the call centre by dialling 16555 at the event, where the top VAT payers of fiscal 2014-15 were also honoured.

Muhith asked the call centre attendant at the other end when the registration for business identification numbers will start under the new law and what documents one has to bring.

The NBR said the call centre will remain open from 9am to 5pm seven days a week.

Social dialogue key to dispute resolution

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Similarly, when the government is ready to award licences for unionism, the workers and trade union leaders do not know the rules and their duties, he added.

Workers and trade union leaders approach the ministry for permission to form unions, but the ministry cannot award the licences if they do not follow rules, according to Haque.

"I think we should renew the system so that all parties can enjoy the benefit of such trade unions," said the minister, adding that there are more than 7,750 unions, but most of them are not valid. "We are planning to allow sector-wise trade unions to resolve the disputes."

A total of Tk 25 crore has been deposited into the central workers' welfare fund, as every garment exporter has been contributing 0.03 percent of the annual export value since July this year, he said.

From January next year, if any garment worker dies, his family will receive more than Tk 5 lakh from this fund as insurance.

The ministry will also give allowances to garment workers' children for higher education from this fund.

Guy Ryder, director general of the International Labour Organisation, said the project comes on top of a wide range of activities already undertaken by the ILO here in Bangladesh.

"Coming to the meeting, I look through all of the subjects that should be addressed in Bangladesh."

"With its focus on strengthening social dialogue and constructive dispute resolution, this project provides a

defining opportunity for Bangladesh to achieve its social and economic transformation goals, through partnership and inclusion," Rydersaid.

Salahuddin Kasem Khan, president of Bangladesh Employers' Federation, said: "The creation of effective arbitration and conciliation systems will be a major step toward the development of a more mature industrial relations environment for Bangladesh that will benefit employers and workers alike."

"We need a harmonious workplace relationship between the workers and owners."

"We are assisting a national effort to build capacity for Bangladesh authorities in occupational health and safety, and in particular, focusing on the garment sector," said Morten Jespersen, under-secretary for global development and cooperation at Denmark's Ministry of Foreign Affairs.

"This programme shows how the Global Deal initiative can translate into concrete action at the country level. Functioning social dialogue means both ensuring labour rights and securing long-term business," said Johan Frisell, ambassador of Sweden to Bangladesh.

"We had been on a long journey in Bangladesh to eradicate child labour from the RMG sector -- a very successful journey."

"We believe that functioning social dialogue will make individual factories more compatible and more profitable. All together, this effect will mean that I think we can help a little bit to secure the accessibility of Bangladesh to the GSP Plus scheme."

The \$7 million project, implemented by the ILO, started functioning in April this year and it will continue until March 2021, said an official of the ILO in Dhaka. Of the total amount, Sweden has given about \$5 million and Denmark \$2 million, the ILO official said.

The project will initially be piloted in the apparel sector, gradual scaling up within the sector.

However, the impact of the project, and particularly that of the dispute resolution mechanism, will cover all other sectors.

Through the project, improved dialogue will be fostered between trade unions and employers in at least 150 unionised enterprises.

This will be achieved by developing social dialogue skills and expertise of both managers and union representatives.

Workplace cooperation mechanisms and the capacity of unions and employers will also be boosted in 350 non-unionised factories, while practical grievance handling procedures will be developed in each of the 500 participating factories.

A key focus of the project will be on enhancing the grievance handling capacity, procedures and mechanisms of the Department of Labour. This will include training for 15-20 officials to create a national pool of conciliators.

An independent pool of arbitrators will also be established. In addition, Workers' Resource Centres will be established to support capacity building for unions and to help them deal with disputes.

Ensure labour rights, create more jobs: PM

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About exports, Hasina said: "We should diversify our products and expansion of market for our future economy and jobs." "Only incentives are not enough, we also need to invest more in capital and technology and human resource development."

Putting emphasis on the value addition of products, she said: "If we improve our garment products design and market those by ourselves with self-initiative, we'll be able add more value." To create new jobs, Hasina said, her government has been working relentlessly with new initiatives to encourage trade facilitation, reducing the cost of capital, infrastructure and uninterrupted power supply.

There is no alternative to training to build skilled manpower, and her government had formulated National Skill Development Policy 2011 to coordinate all types of vocational and technical education.

Besides, the government has been implementing various programmes aimed at improving education and skills.

Hasina said technical and financial assistance from the International Labour Organisation and other development partners are playing a significant role in implementing the government's long-term technical and vocational education and training reform programmes.

Aman Cotton to go for IPO to fund expansion

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The price of an IPO share is determined through automated bidding joined by financial institutions.

The shares are then opened for the IPO participants at the cut-off price. The method was suspended and then revised by the regulator following the 2011 market crash.

Aman Cotton's net profit stood at Tk 19.64 crore with earnings per share standing at Tk 2.46 at the end of March, while the net asset value per share stood at Tk 34.35.

At present, 45 textiles and garment companies are listed on Dhaka Stock Exchange, accounting for about 4 percent of total market capitalisation.



DTDC

Subhasish Chakraborty, chairman and managing director of DTDC, an Indian courier company; Suresh Bansal, director; Pranab Shah, director of DTDC representing GeoPost/DPD, and Ahmed Yusuf Walid, president and CEO of Galaxy Bangladesh, inaugurate the first service centre of DPD and DTDC international express courier brought by Galaxy Express in Dhaka yesterday.

Top VAT payers awarded

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This is the 11th year in which the NBR has been recognising firms that paid the highest amounts of VAT in categories of manufacturing, trade and services.

At the programme, Muhith said Bangladesh is now in the group of middle-income countries and 60 percent of its 16 crore population are living well. But the number of firms paying VAT is very low.

The latest economic census shows that the total number of business establishments is 80 lakh, he said, adding that the number of people who submit VAT returns stand at about 50,000.

"The current figure of VAT return filers is shameful," he said, adding that the number of VAT registered firms should be 5 lakh by 2021.

"This will be the target. I throw

this challenge for all," Muhith said referring to the revenue authority and businesses.

He gave the task at a time when the NBR is working to implement the new VAT and Supplementary Duty Act 2012 from July 1 next year under an automated platform.

For that end, it has already launched re-registration online.

The latest law will replace the existing one that was framed in 1991 to collect VAT, a type of consumption tax, with the goal to boost collection from domestic sources against the backdrop of declining customs revenue for gradual trade liberalisation.

The consumption tax is the biggest source of revenue followed by direct or income tax. It accounted for 36 percent of revenue collection in fiscal 2015-16,

according to the NBR.

The NBR expects that both the VAT net and collection will rise for the implementation of the new law under an online environment.

The law, which envisages a flat 15 percent VAT, will encourage voluntary compliance and reduce discretionary powers of VAT officials. "All of us have to pay revenue. The government needs revenue to run the country, to take welfare programmes to the people," Muhith said.

The burden of VAT would be low on stages of value addition if a firm keeps records of its transaction properly, he said, adding that the government will provide electronic cash registers to help businesses in record-keeping.

Commerce Minister Tofail Ahmed said paying tax is a matter of pride and the citizens need to be

more enthusiastic about the exercise.

"VAT is not a donation -- it is needed for the country's development," said MA Mannan, state minister for finance and planning.

He said it is a crime not to deposit the VAT to the state coffers after collecting the sums from customers.

NBR Chairman Md Nojibur Rahman reiterated the same.

He said the NBR is becoming business, people and service oriented by the day.

Md Shafiu Islam Mohiuddin, senior vice-president of the Federation of Bangladesh Chambers of Commerce and Industry; Md Rezaul Hasan, NBR member of customs and VAT administration; and Sultan Md Iqbal, NBR member of VAT implementation and IT, also spoke.