

# Hong Kong sues StanChart, UBS, KPMG over China Forestry IPO

REUTERS, Hong Kong  
Hong Kong's securities regulator has filed a suit against Standard Chartered Plc, UBS Group AG and four other parties over the 2009 IPO of timber company China Forestry Holdings Co Ltd, according to court documents. The Securities and Futures Commission (SFC) is seeking unspecified damages for "market misconduct" over the IPO prospectus of China Forestry filed in November 2009, as well as the company's 2009 annual report, its 2009 annual results and the results for the first six months

of 2010, according to the documents filed with Hong Kong's High Court on Jan 16. The SFC also sued China Forestry itself, the company's two co-founders Li Kwok Cheong and Li Han Chun, and KPMG, which was China Forestry's auditor, the court documents show. UBS and KPMG declined to comment, while Standard Chartered didn't immediately reply to a Reuters request for comment on SFC's suit. China Forestry and its two co-founders couldn't be reached for comment. SFC declined to comment. The

parties have 14 days to respond to SFC's suit. Standard Chartered and UBS separately disclosed late last year that the SFC was probing their role as sponsors of unnamed IPOs and that the regulator's actions could result in financial consequences. China Forestry raised \$216 million in the 2009 IPO, but its shares have been suspended since January 2011 and the company is now in liquidation and in the process of getting delisted after the company's auditor said it had found possible accounting irregularities.

# German investor confidence back on rise in January

AFP, Frankfurt Am Main  
Confidence among investors in Europe's largest economy, Germany, picked up in January, a closely-watched survey showed Tuesday, defying political uncertainty across the eurozone. After plateauing in December, the ZEW institute's investor confidence index increased 2.8 points to 16.6

points in January. But analysts surveyed by Factsheet had predicted an even more robust increase to 18.8 points. "The slight increase is mainly due to an improvement in eurozone economies," ZEW head Achim Wambach said in a statement, "and can also be seen as a leap of faith for 2017." Economic observers were met with unexpectedly positive figures for German gross domestic product

(GDP) in 2016 and for industrial production across the eurozone in November last week, Wambach noted. At 1.9 percent, the German economy grew at its fastest rate since 2011 last year, data released last week showed. The ZEW survey's sub-index measuring sentiment about the present state of the German economy matched that positive surprise, reaching its highest level since July 2011.



PARTEX STAR GROUP  
Aziz Al Mahmood, managing director of Danish Condensed Milk Bangladesh Ltd; KM Ali, CEO; Chowdhury AHM Lutful Huda, CEO of Partex Star Group, and David Farrell, head of international development markets at Twinings Ovaltine Bangladesh Ltd, re-launch Ovaltine at a programme at Lakeshore Hotel in Dhaka yesterday. Danish Distribution Network Ltd, a sister concern of Partex Star Group, and Twinings Ovaltine Bangladesh re-launched the product.

## Stocks continue bull run as investors getting back confidence

FROM PAGE B1  
Chittagong stocks rose with the bourse's benchmark index, CSCX, increasing 171.06 points or 1.67 percent to close at 10,379.32. Gainers beat losers as 186 advanced and 74 declined, while 16 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 4.48 crore shares and mutual fund units, generating a turnover of Tk 114.8 crore.

## NBR to open email accounts to hear taxpayers' complaints

FROM PAGE B1  
The law envisages a flat 15 percent VAT rate instead of various types of rates that are now in effect. The FBCCI in February last year also demanded a cut in the VAT rate to 7 percent once the VAT system goes online under the new law. The apex trade body wanted various rates of the indirect tax to continue in line with the existing system.



PREMIER BANK  
Jamie Wong, CEO of Queen South Textile Mills Ltd at Dhaka Export Processing Zone, signs a finance deal with Shahed Sekander, executive vice president of Premier Bank, at the head office of the bank in Dhaka on January 12. HBM Iqbal, chairman of the bank, and Khondker Fazle Rashid, CEO, were also present.



ORION FOOTWEAR  
Ruhul Amin Molla, CEO of Orion Footwear Ltd, opens a new outlet of the company at Shimultola in Savar on Monday.

## Regulator eases rules for handset import

FROM PAGE B1  
Mobile phone imports rise 5-10 percent every year. Though import of smartphone grows 40 percent a year, basic and feature phones still dominate the market. There are around 850 importers registered with the BTRC, and only 108 of them are engaged in importing handsets, according to the telecom regulator.

Heartiest Congratulations to  
**Mr. H.M. Hakim Ali**  
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All Executives and Staffs  
**HOTEL AGRABAD**  
CHITTAGONG

## Online VAT registration begins in March

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The NBR is also considering a pilot phase in filing returns by the large VAT paying firms so that it can make the process user-friendly by addressing the issues raised. Some 263 firms, including the companies under the Large Taxpayers Unit of VAT, have already re-registered online to get a nine-digit business identification numbers (BINs), which will replace the existing 11-digit BINs after the VAT and Supplementary Duty Act 2012 comes into effect. The large Dhaka-based companies that have already registered for VAT online account for nearly 70 percent of the total

VAT collected by the revenue authority. The latest law, which will replace VAT Act 1991, will be implemented under an automated platform. It envisages a flat 15 percent VAT rate instead of various types of rates that are now in effect. The government aims to implement the law through the automation of VAT systems in a bid to increase VAT collection and compliance. VAT, a type of consumption tax, is now the main source of revenue, accounting for 36 percent of the total tax of Tk 155,519 crore collected in fiscal 2015-16, according to NBR. The government introduced VAT in 1991 to collect more from internal resources.

## British inflation jumps to 1.6pc

AFP, London  
British annual inflation jumped in December to the highest level in two and a half years, data showed Tuesday, as a slide in sterling since the Brexit vote starts to lift costs generally. The 12-month inflation rate hit 1.6 percent last month compared with 1.2 percent in November, the Office for National Statistics (ONS) said. Analysts' consensus forecast had been for a pick-up to 1.4 percent. The December reading was the highest level since July 2014. "Price movements for the majority of the broad groups of goods and services acted to increase the rate between November 2016 and December 2016," the ONS said in a statement. "The main contributors to the increase in the rate were rises in air fares and the price of food, along with prices for motor fuels, which fell by less than they did a year ago."

## Stockbroker fined Tk 50 lakh for breaching rules

FROM PAGE B1  
One rights share will be offered for one existing share. The raised funds will be used for bank loan repayment and business expansion. Banco Finance and Investment will be the issue manager. Saif Powertec's earnings per share stood at Tk 4.38 as per last year's audited financial statement with a net asset value per share of Tk 23.22. On the Dhaka Stock Exchange yester-

day, each Saif share traded between Tk 56.6 and Tk 58.1, before closing at Tk 57.2. BSEC also allowed Social Islami Bank to raise Tk 400 crore by issuing mudaraba subordinated bonds to meet its tier-II capital requirement. The bonds will have a maturity period of six years. The face value of the bond, which can only be issued to financial institutions and high net worth individual investors through private placement, will be Tk 5 lakh per unit.

## Wärtsilä gets contract from Ace Alliance Power

FROM PAGE B1  
Göran Richardsson, regional director at Wärtsilä, said: "We are delighted to continue our good relationship with Summit Group. They value the fact that we are very well represented locally in Bangladesh." With this project, Wärtsilä provides roughly 25 percent of the grid capacity in Bangladesh with an installed base capacity of close to 3,000MW.



Advertisement  
Mohammad Abdul Khaleque FCA, Additional Managing Director & CFO of Fareast Islami Life Insurance Company Ltd receiving the 3rd ICSB National Award-2015 from Dr. Mashur Rahman, the Economic advisor to the Prime Minister at a function organized by the Institute of Chartered Secretaries of Bangladesh at Pan Pacific Hotel Sonargaon recently.

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