

Set ceiling for taxfree dividend income at Tk 1 lakh

DSE demands in pre-budget discussion

STAR BUSINESS REPORT

The Dhaka Stock Exchange yesterday urged the government to increase the ceiling for tax free dividend income to Tk 1 lakh in a bid to attract more investors to the market.

At present, the ceiling for tax-free dividend income is Tk 25,000. "If the proposal is taken into consideration, it will help reduce the liquidity crisis of the capital market," the premier bourse said. It was one of the proposals the bourse placed at a pre-budget meeting with the National Board of Revenue yesterday.

However, the DSE placed almost the same proposals last year.

Small investors will be benefited if the ceiling is set at Tk 1 lakh as they have suffered a lot due to the market turmoil previously, especially during the debacle in 2011, the DSE said.

The bourse also urged the government to continue its full tax exemption facility for the stock exchange for

another three years, including this fiscal year.

The government provided full-tax exemption for the first two years of demutualisation of the exchange and it is supposed to pay taxes at graduated rates from this fiscal year.

Before the demutualisation, the stock exchange was a non-profit cooperative owned by the exchange members and was not subject to corporate taxes.

But with demutualisation, which is a way of separating management from ownership, the bourse was converted into a profit-oriented company owned by shareholders in 2013. As a result, it is subject to 35 percent corporate tax.

Under a graduated rate system, the bourse will get full tax exemption in the first two years of demutualisation, 60 percent tax exemption in the third year, 40 percent in the fourth year and 20 percent in the fifth year; it will have to pay full taxes after that.

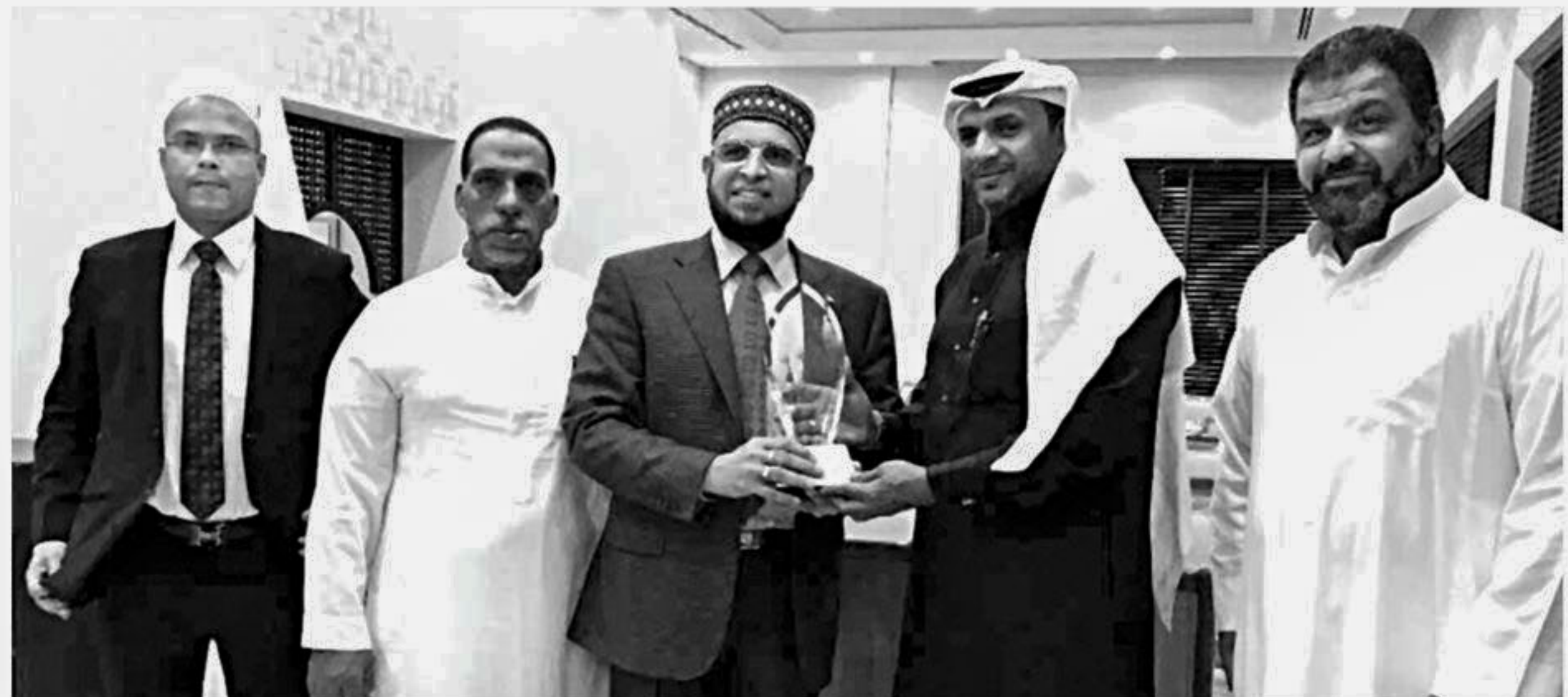
"The DSE is now incurring operating losses. If the tax remains on, the DSE will have to increase transaction fees that will ultimately have to be paid by retail investors," the bourse said in the proposal.

The DSE also demanded reducing the tax at source on share transactions to 0.015 percent from existing 0.05 percent, considering the market's current volatile situation.

The reduction will bring down the cost of transactions, which will ultimately enhance trade volumes and related taxes.

The stock exchanges, on behalf of the government, collect the tax on the value of shares, mutual fund units or other securities transacted, and deposit the revenue to the state coffers.

The DSE also requested the NBR to increase the tax gap between listed and non-listed firms to 20 percentage points, instead of existing 10 percentage points, to encourage the listing of new companies.



Mohammed Haider Ali Miah, managing director of EXIM Bank, receives the Arabian Global Banker Award 2017 from Abdullah Saleh Al Kamel, secretary of Arabian Bankers Council, at Jeddah in Saudi Arabia on April 6.

Bangladeshi magazine on denim hits market April 14

STAR BUSINESS REPORT

The first Bangladeshi magazine dedicated to denim products is hitting the local market on April 14, mainly to highlight the country rising denim industry.

The Bangladesh Denim Times will be published three times a year, which will also be available online, said Mostafiz Uddin, publisher and editor

of the magazine.

Each issue will feature at least one portrait of a Bangladeshi factory, mill or a manufacturer. There will also be reports on Bangladesh's denim industry and denim events. No advertisement would be published on the magazine, the publisher said.

The costs for running the magazine would come from the earnings of

Bangladesh Denim Expo, an annual event of denim products.

The 44-page publication will mainly focus on denim industrial products, trends, brands, people, leaders and forecasters, he said.

Each issue will also highlight unique travel destinations in Bangladesh, restaurants, hotels and shed light on the country's culture, he said.



Mashrur Arefin, additional managing director of City Bank, and Shoeb Ahmed, CEO of Rangs Ltd, exchange the signed documents of a deal at a programme. The bank's customers will get auto loan at 10 percent interest, 50 percent off on loan processing fee and Tk 50,000 cash discount on car's prices at Rangs.

Jahangir Bin Alam, extreme right, secretary and CEO of India-Bangladesh Chamber of Commerce and Industry, along with foreign delegates attends the Global Economic Summit 2017 of World Trade Centre, at Mumbai in India.



China probes chief of top insurance regulator

AFP, Beijing

China has opened an investigation into the head of its top insurance regulatory body, the anti-corruption watchdog said Sunday in an announcement that could signal problems for some of the country's most powerful companies.

Xiang Junbo is being probed for "suspected serious violation of the Party's code of conduct," the Central Commission for Discipline Inspection said in a brief statement on its website.

The phrase is often a euphemism for corruption.

Xiang took the top spot at the China Insurance Regulatory Commission in 2011 after heading the Agricultural Bank of China, one of the biggest state banks.

Various Chinese regulatory agencies

have trained their sights on the insurance industry, complaining about companies' use of their financial holdings to fund risky acquisitions in real estate and unlisted equities.

In February Beijing announced investigations into several major insurance companies, including Evergrande Life and Foresa Life, for alleged market manipulation.

The announcement came after the chairman of the China Securities Regulatory Commission singled out the industry as a home for "barbarians" and "thieves" who engaged in debt-fuelled stock market acquisitions.

The president of PICC, the country's first non-life insurance company, is also currently being probed for corruption.

Rumours about a possible investigation into Xiang have been swirling for months.

Garment shipments to Canada slide in Jul-Dec

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Garment exports now make up 95 percent of Bangladesh's exports to Canada.

To make the most of the zero-duty benefit it enjoys, Bangladesh should diversify its export basket, incorporating products like leather and leather goods, plastic goods and pharmaceuticals, Rahman added.

Rahman's optimism is not unfounded as Canadian apparel retailers have invited many Bangladeshi garment factories to attend the Apparel Textile Sourcing Canada, the biggest garment exhibition in the North American country.

The gathering, which is scheduled to take place from August 21 to 23, will be attended by apparel and textile manufacturers from more than 20 countries.

Manufacturers China, Bangladesh, India, Pakistan, the US, UK, Canada, Turkey, Jordan, Switzerland, Vietnam, Nepal and more will share with Canadians their latest products and production processes in an effort to forge new business relationships.

Jute exports to India fall amid antidumping duty

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Shahjahan however expects the antidumping issue to be resolved after Prime Minister Sheikh Hasina's four-day visit to India that ends today. She requested Indian Premier Narendra Modi to review the decision.

India would look into the matter, according to the Joint Statement issued on April 8.

However, jute cloths to make sacks remain free from the purview of the anti dumping duty; a section of importers in India are showing interest in buying these sack cloths, said a senior official of Bangladesh Jute Mills Corporation (BJMC), seeking anonymity.

Gopi Kishon Sureka, a local jute exporter, said the antidumping duty will also affect consumers in India because of the rise in prices.

Tourists sidestep Bangladesh

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A total of 125,000 international tourists arrived in Bangladesh in 2015. The sector employed 11.38 lakh people and accounted for 2.4 percent of the country's gross domestic product. The WEF report carries out an in-depth analysis of the travel and tourism competitiveness of 136 economies. It ranks the countries on how well they deliver sustainable economic and societal benefits through the travel and tourism sector.

The report measured each economy's attractiveness through 14 pillars, with each having its own sub-pillars.

"The price competitiveness that favours South-East Asia also benefits countries in South Asia. Yet, South Asia remains less developed on almost all other fronts, in particular on infrastructure, ICT readiness and health and hygiene conditions."

Improving regional visa policies could further enhance travel and tourism, it said.

Spain, France and Germany continue to top the ranking. "But Asia steals the show as the region's largest economies show the greatest rise in tourism-friendliness," the report said. "The rise of Asia's giants shows that the Asian Tourism Century is becoming a reality," said Tiffany Misrahi, community lead for aviation, travel and tourism industries of the WEF.

But to reach their potential, the majority of countries still have more to do, from enhancing security, promoting cultural heritage, building infrastructure and creating stronger visa policies, she added.

The report also highlighted how the industry has become a force for good in an otherwise largely stagnant global economy. The global travel and tourism sector accounts for 10 percent of the global GDP. It has been growing faster than other sectors and providing one in every 10 jobs.

The policy of the government is not supportive whereas the budgetary allocation for the sector is very poor, said Akbaruddin Ahmad, former president of the TOAB.

"The law and order situation is also not good. Infrastructure is very poor. These are the basic problems," Ahmad said tourists want to visit the Sundarbans and Cox's Bazar but the journey to the two destinations is tiresome. "Had there been an international airport in those places it would have been very comfortable for the tourists to visit the places."

Ahmad also called for branding Bangladesh as a tourist destination. "Tourists don't visit a country just for sightseeing. They want entertainment facilities such as casinos and night-clubs, like we see in Nepal and Malaysia."

Ericsson set to run 4G trials

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For the test run, Ericsson is using 5 Megahertz spectrum from the 1,800 band and another 5 MHz from the 2,100 band. Earlier, another telecom vendor Huawei conducted test runs with top three mobile operators' network and found moderate speed, about 50 Mbps to 100 Mbps, both for uploading and downloading.

Bangladesh Telecommunication Regulatory Commission will award the 4G licences shortly; it has already finalised the proposed guideline for the service. In the draft guideline, the BTRC has proposed Tk 15 crore as licence fees for 15 years and another Tk 7.5 crore as annual fees. All existing 3G operators will be eligible for 4G licences.

Economic zones get priority in new Indian credit

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Both the prime ministers sought quick establishment of the Indian special economic zones, according to a joint statement.

The two prime ministers expressed optimism that the economic zones will encourage Indian businessmen to bring in more investment to Bangladesh.

On the sidelines of the bilateral talks on Saturday, a number of deals were signed by the two countries' business communities

that would see upwards of \$9 billion of investment flow into Bangladesh, according to the statement.

"Prime Minister Modi appreciated the progress made in respect of Indian private sector investments in the power sector of Bangladesh and hoped that more Indian investments would follow, including possibilities of joint ventures between Indian and Bangladeshi companies."

India provided \$1 billion credit in August 2010 and \$2 billion in March 2016.

Md Shakir Amin Chowdhury, deputy managing director of Dhaka Bank, and Md Mofizur Rahman, managing director of Novoair Ltd, exchange the signed documents of a deal at a programme. The bank's credit cardholders and employees will enjoy zero percent interest benefit for 3 and 6 months for purchasing air tickets and special packages at Novoair outlets.



Muhammad Nazrul Islam, chairman of Rajshahi Krishi Unnayan Bank, attends the concluding ceremony of a foundation training course for the bank's newly recruited officials at Rakub Training Institute at its head office on April 3.