



PHOTO: THAHNAN FERDOUS

"Tired, tired with nothing, tired with everything, tired with the world's weight he had never chosen to bear."

— F. Scott Fitzgerald, *The Beautiful and Damned*

**SNAPSHOT**

**MAILBOX**

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**VAT on English-medium schools**

A VAT on education is something that sounds absurd and discriminatory as only English-medium schools have had VAT imposed on them. In general, English-medium schools are far more expensive and seem more viable as lucrative businesses and imposing a 15 percent VAT makes it worse for many parents. Also, there is no clarity as to where the money from VAT is going. Previously, only affluent members of society sent their children to English-medium schools. But the scenario has changed nowadays. Many middle class families are opting for English-medium schools for their children. There are no state-owned English-medium schools, so people are compelled to go to private institutions for their children's education. But we are then levied with VAT. While many of us are still paying VAT for a basic right, education, for parents it would be easier to comply with if they can know exactly why they are paying that extra amount of VAT.

Rafid Alam  
Mohammadpur, Dhaka

**Where will we go?**

The deplorable condition of the people of haor regions who came to Dhaka after the flash flood was described in the article "Nomads in the land of rivers". The characters' stories portrayed the effects of climate change and the forced migration of poor people from such areas in search of livelihood opportunities.

The two thermal power plants with a

capacity of 1,320 megawatts, to be established in Rampal and Bashkhal, would destroy our two primary natural beauties—the Sundarbans and the sea belt at Cox's Bazar respectively. I understand the importance of generating more electricity, but at the same time I feel afraid of losing these two natural beauties which makes me proud of my motherland. So, where are these power plants going to be established? Neither can these be

established near populous places or cities, nor in remote areas of the country as they will affect natural sites. So it is natural to feel confused with so many problems which do not have viable solutions. It is high time to give a lot of thought on these issues by stopping the government and others from harming such natural sites.

Nafis Sadik  
Farmgate,  
Dhaka



PHOTO: ORCHID CHAKMA

The opinions expressed in these letters do not necessarily represent the views of the Star Weekend.

**ECONOMY**

Since the announcement of the new budget, one of the main concerns of consumers countrywide has been the imposition of a flat 15 percent value added tax (VAT) rate on most goods and services. Starting from July 1, non-air-conditioned restaurants will prove costlier as VAT rates go up from 7.5 to 15 percent.

VAT has now become the largest source of revenue for the government, even more so than revenue from income tax and import duties. But does the VAT that consumers pay even go where it is supposed to?

"Certain businesses—restaurants, sweetmeat shops, and branded stores in particular cheat on paying the VAT received during transactions to the National Board of Revenue (NBR)," says Zakir Hossain, deputy project director of the VAT Online Project, NBR. However, another challenge in ensuring effective VAT collection comes from the consumers themselves.



PHOTO: KAZI TAHISIN AGAZ APURBO

How judiciously do consumers ask for a VAT receipt or check the electronic receipts for VAT details when paying the bill? "There is just not a practice of requesting VAT receipts or *challan* in this country and this is a big drawback," explains Hossain. Often, especially small stores and restaurants actively encourage customers to opt out of VAT by not issuing a receipt. If a customer requests a receipt, he or she is then charged the 15 percent VAT in addition to their bill.

Fariya Rahman, 23, a resident of Chittagong, eats out on average five times per week. After the new imposition of 15 percent VAT on

**BEING VAT SMART**

MALIHA KHAN

restaurants, she started being aware and asking for VAT receipts after transactions which charged VAT. "Of the two places I asked, one gave me a handwritten blue *challan* and the other said they had run out of the paper for receipts. Usually, such places which provide handwritten receipts do not charge VAT," says Rahman.

However, it is now illegal for restaurants to issue blue *challan* as the manual system of receipts has long

allowed restaurants and other business to get away with tax evasion. The government has introduced measures to ensure VAT is going into government coffers instead of being pocketed by businesses.

Since 2009, it has been mandatory for 11 types of businesses to use Electronic Cash Register (ECR) machines and Point of Sale terminals in Bangladesh. These measures are applicable for hotels, restaurants, sweetmeat shops, jewelry stores, beauty parlours, furniture outlets, community centres, stores in shopping malls, department/general stores, wholesale shops, and retailers.

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