



New VAT law put on hold

Uniform 15pc VAT to be effective after 2 years; excise duty on small bank deposits cut; finance bill passed after major changes in tax measures

STAFF CORRESPONDENT

The government has shelved the uniform 15 percent VAT plan for two years in the wake of public outcry and reported pressure from businesses and lobby groups.

This means the multiple rates of the indirect tax under the 1991 VAT law will continue until fiscal year 2018-19.

The much-discussed VAT and Supplementary Duty Act 2012, which has the provision for 15 percent flat VAT rate, was set to be implemented from next month.

But now the onus of doing so will be on the next government, which will be formed

through the general election due in late 2018 or early 2019.

In another change, the government cut the excise duty on small bank deposits but retained the proposed rates for big ones.

It comes after Prime Minister Sheikh Hasina requested Finance Minister AMA Muhiut to put on hold the new VAT plans in parliament yesterday.

"As the new VAT law received a lukewarm response from the business community, I will urge the finance minister to keep it like it was before and not to implement it for the next two years," she said.

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A sign saying "no gas supply" at a CNG filling station in Tejgaon of Dhaka yesterday. The stations under Titas Gas Transmission and Distribution Company network were closed for 24 hours due to maintenance work at Bibiyana gas field. Inset, two drivers pushing their auto rickshaws that had run dry in Tejgaon.

PHOTO: AMRAN HOSSAIN

No rice crisis in country

PM blames dishonest traders, flashfloods for price hike

STAFF CORRESPONDENT

Prime Minister Sheikh Hasina yesterday blamed a vested group of dishonest businessmen and sudden flashfloods in the haor regions for the recent hike in rice prices.

Taking part in the budget discussion in parliament, she said there would be no rice crisis in the country as there was a stock of 1.06 crore tonnes.



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EXCISE DUTY ON BANK DEPOSITS

SLAB	PROPOSED	FINAL
Upto Tk 1 lakh	0	0
Above Tk 1 Lakh to Tk 5 Lakh	Tk 800	Tk 150
Above Tk 5 lakh to Tk 10 Lakh	Tk 800	Tk 500
Above Tk 10 Lakh to Tk 1 crore	Tk 2,500	Tk 2,500
Above Tk 1 crore to Tk 5 crore	Tk 12,000	Tk 12,000
Above Tk 5 crore	Tk 25,000	Tk 25,000

Out canvassing in Eid time

With eye on next JS polls, party leaders spend holidays among voters

PARTHA PRATHI BHATTACHARJEE and MOHAMMAD AL-MASUM MOLLA

Leaders of major political parties used the Eid holidays to campaign for the parliamentary elections scheduled for 2019.

Believing that the Eid holidays were a key opportunity for reaching out to a large number of constituents, leaders of ruling Awami League, the BNP and main opposition Jatiya Party rushed to their constituencies before Eid and campaigned throughout the holidays, said party leaders.

This year the presence of young politicians in their constituencies was significant and hundreds of party

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EXPORT TO UK Dhaka to enjoy zero duty even after Brexit

REFAYAT ULLAH MIRDDHA

The UK will continue to provide zero-duty benefit on import of goods from Bangladesh and 47 other least developed countries even after Brexit.

Bangladeshi businesspeople have hailed the decision of the UK, Bangladesh's third largest export destination after the US and Germany.

"We welcome the UK government's decision as it will have a positive impact on our export, the garment industry, the economy and employment," Siddiqur Rahman, presi-

dent of Bangladesh Garment Manufacturers and Exporters Association, told The Daily Star.

"Since the Brexit last year, we were worried whether the British government would continue to provide us with the zero-duty privilege or not. We are now happy and hope our trade with the UK would increase further," he said.

Bangladesh's exports, especially garment items, to the UK began to slide after the Brexit vote, as the Britons have been facing inflationary pressure.

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Usually packed with vehicles on weekdays, the Shapla Chattar in Motijheel, the commercial hub of Dhaka, is almost deserted on the first working day after the Eid holidays. The photo was taken just before noon yesterday.

PHOTO: PALASH KHAN

US TRAFFICKING IN PERSONS REPORT Efforts on probe, trial inadequate

Bangladesh slips to Tier 2 watch list

STAFF CORRESPONDENT

Bangladesh fared poorly in fighting human trafficking in 2016, mainly due to poor investigation and prosecution, according to a report of the US State Department.

In this year's US Trafficking in Persons report, Bangladesh was placed on the tier 2 watch list, down from tier 2 where the country saw itself for five years since 2012.

The figures provided by the report back it up. The government investigated 122 sex and 168 labour trafficking cases last year, a decrease from 181 sex and 265 labour trafficking cases a year ago.

The authorities prosecuted 302 alleged traffickers in 2016, compared with 481 in 2015. Only three traffickers were convicted in 2016, down from four in 2015 and 15 in 2014.

"Convictions remained rare because the government had not dedicated adequate resources to pre-trial investigations, and short timelines for the completion of cases led to inadequately prepared and subsequently unsuccessful prosecutions," says the report released by US Secretary of State Rex Tillerson in Washington on Tuesday.

And the proposed tribunal that would solely try human trafficking cases has not been made functional yet.

The annual report grades countries in two categories -- tier one for being the best and tier three for being the worst in handling trafficking cases. A country belonging to tier 2 means it has not met the minimum standards of providing protection to trafficking victims but is making significant efforts.

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Morshed Khan, 15 others sued over Tk 383cr loan scam

STAFF CORRESPONDENT

The Anti-Corruption Commission yesterday sued former foreign minister M Morshed Khan, his wife Nasrin Khan and 14 others for allegedly embezzling over Tk 383 crore of AB Bank between 2011 and 2015.

ACC Deputy Director Sheikh Abdus Salam filed the case with Banani Police Station.

Morshed is the chairman and Nasrin is a director of Pacific Bangladesh Telecom Ltd (PBT). The other accused include PBT Vice Chairman Asghar Karim, its Chief Executive Officer Mehboob Chowdhury, three former managing directors of AB Bank Kaiser Ahmed Chowdhury,

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