

Sundarbans being deforested

What are the authorities doing about it?

SUNDARBANS, already at the heart of a raging controversy over the building of power plants is now being systematically deforested. As per a report in this paper on October 3, large quantities of logs of various trees cut down in the Sundarbans are finding their way out of the forest under the very noses of the authorities. The cut logs are transported to saw mills in adjacent districts. Trade in illegal timber has been gaining momentum where loggers and corrupt officials band together to clear out precious trees from a UN heritage site.

The question is then precisely where do our priorities lie when it comes to building up resilience against climate change? It is a proven fact that the mangrove forest does much to ward off the worst effects of natural calamities like cyclone. While we have various programmes at both government and non-government level urging the plantation of trees, here we are, turning a blind eye to an illicit trade that is systematically reducing the number of trees in a protected forest. These are naturally grown trees that give the Sundarbans its beauty and take decades to grow to maturity; trees that save us from air pollution and reduce the carbon footprint.

Such arguments obviously fall on deaf ears as we find that the Coastguard West Zone (Mongla) impounded 416 cft of logs from April 15 to August 19 this year. Needless to say, we have no idea about how much more slipped through the net. Unfortunately for us, we fail to distinguish between protected and unprotected forest lands and when such illegal activity is backed up by local political patronage, the Sundarbans faces the same fate as other forest lands in the country.

Bangladeshi wins Forbes award

A proud moment for us

WE extend our heartiest congratulations to Bangladeshi social entrepreneur Minhaj Chowdhury who has won the first-ever "Under 30 Impact Challenge" at the Forbes Under 30 Summit this Monday in Boston, USA. Mr Chowdhury is the cofounder and CEO of Drinkwell, a market-leading water technology company operating in India and Bangladesh that is combating arsenic, fluoride and iron water contamination in the region and is providing more than one million litres of safe drinking water to over 250,000 people. We feel very proud to know that Drinkwell beat out stiff competition from social enterprises from across the world to win the prize money of USD 500,000.

The incredible work that the organisation is doing touches upon one of the most severe crises facing the region: lack of safe drinking water. Despite tremendous progress in the last few decades in the areas of water and sanitation, millions in Bangladesh and India still do not have access to safe drinking water. Drinkwell rightly recognised the scope of entrepreneurial opportunity to impact the lives of those without access to this basic need. It is their vision, dedication and spirit of problem-solving that make them a role model for all those, particularly the youth, who wish to make a difference someday.

Mr Chowdhury's achievement on a platform as prestigious as Forbes Under 30 Summit goes to show that the youth in Bangladesh have what it takes to tackle some of the most acute problems through innovative solutions. It is, therefore, important that we foster an environment conducive to social entrepreneurship so that more and more youngsters feel encouraged to turn problems into solutions.

Beware of Myanmar's subterfuge

STRATEGICALLY SPEAKING



BRIG GEN SHAHEDUL ANAM KHAN
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THE Foreign Ministry's statement, following the mixed messages coming out of Naypyidaw after the visit of Myanmar's Union Minister U Kyaw Tint Swe to Bangladesh, that it betrayed the doubtful intention of Myanmar, has said it all. Myanmar's offer to take back Rohingyas is unmistakably a posturing on the part of Myanmar's military and does not convey an honest intention.

Clearly the latest overture is generated not by a civilised disposition to the point at issue but compelled by the heat generated by comments from some UN members and the UNSC, and in certain cases actions, albeit very token, on the part of some countries. It is a deceitful tactic to procrastinate the issue, and a handy expedient to assuage international opinion for the time being. Its intention has been made clear by the reference made by Suu Kyi's office that the repatriation would be as per the 1992 deal, a new element and a new criterion that contrasts with her statement of September 19 that the repatriation would be done in the light of the agreement done in May 1993.

And, we do not know what to make of the impending visit of our Home Minister to that country, to formalise instruments of border management between the two countries. Efficient border management is a good thing, but at a time when the sanctity of the border has been defiled by the forced efflux from Myanmar of more than half a million refugees of an ethnic group, to talk about efficient border management is a very cruel joke. Our priority should be to persuade Myanmar to work towards removing the underlying causes of the Rohingya conflict that has triggered mass exodus of the Rohingyas into our country.

Bangladesh had been certainly caught by surprise by the development in the

eastern border on August 25. Influx of such magnitude was not anticipated, and the initial reaction of our administration was one of unsureness, hoping that "push back" would discourage the Rohingya influx. That was not to be and the mid-course correction was a judicious move.

And while we are on the issue of exodus I shall ask only one question. Which country in recent times has had to absorb more than half a million

the Rohingyas beyond the verbal admonitions administered to a country that is impervious to international public opinion. And while the talks were going on in Dhaka on October 2 between our Foreign Minister and Myanmar's Union Minister, it was persecution as usual of Rohingyas in Rakhine. Rohingyas keep streaming in with tales of horror.

There is every reason for us to be sceptical about Myanmar's intentions. After all, we have been down this road

know are only transient. And our past experience with Myanmar on various agreements related to the Rohingyas is not encouraging.

Apparently Myanmar has resorted to dilatory tactics to prolong the matter. It should be clear that it has little intention to deliver on its undertakings on any past agreements with Bangladesh on the Rohingyas. Had that been so all those more than three lakh refugees that came into Bangladesh in so far should



We don't want a pat on the back for taking in the refugees. We want concrete actions.

PHOTO: REUTERS

persecuted refugees fleeing their country? And that too in a span of less than a month. We don't want a pat on the back for taking in the refugees, "thank you"! We want concrete action. Would it that a fraction of the Rohingyas had ended up in Australia, or on the shores of Europe, all hell would have broken loose. And were it not for the fact that they are Bengalis, and to boot Muslims most of them—there would perhaps have been moves afoot in some Western capitals to prevent the persecution and exodus of

before. We must not forget that Myanmar has worked out its strategy vis a vis the Rohingyas. And nothing will make them deviate from the path to that objective—making the state of Rakhine Rohingya free—that they had formulated more than 50 years ago, short of duress brought upon them from the international community. All other moves on the part of Myanmar are subterfuges employed as temporary expedient to stymie the current international pressure, which we all

have been repatriated by now. Verification is a ruse. Can anyone with common sense expect that a person being hounded out by the state forces would be in a position to retrieve his identity card and carry it along while fleeing?

Thus any future agreement with Myanmar on Rohingyas must include the UN as was with the 1993 deal. The matter has gone beyond the bilateral.

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Foreign workers' tax evasion

NO FRILLS



SYED MANSUR HASHIM

THE National Board of Revenue (NBR) has declared its intention to go after both the companies hiring foreign nationals and individual foreign nationals working in the

country on the issue of tax evasion. October 15 is the NBR deadline for employer-companies and individuals to submit their respective payrolls to the revenue authority. In light of what has been published in the media, we understand that a taskforce has been set up by NBR that will conduct random

garments sector, followed by NGOs, the hospitality industry, educational institutions, hospitals and various other industries. Today, it is estimated that there are some 450,000 foreign nationals, mostly from India, Pakistan, Sri Lanka, China, Taiwan, and South Korea, followed by some European and African countries, who are employed in the country. Reportedly, most are thought to be working illegally as only about 11,000 of them are paying taxes regularly.

According to tax laws, any foreign individual working in any industry for a period of less than 6 months is subject to 30 percent tax on their income. In case of employment over 6 months, they must pay taxes in the same manner as Bangladeshi tax payers. The fact that so

before their visas expire, and then re-apply for visas, and this routine works very well for short-stay technicians who do not need to be here for extended periods of time. As regards the issuing of work permits, there exists a nexus between unscrupulous officials in these institutions that are supposed to hand out work permits and companies that employ foreign workers. Quite frankly, unless the authorities are willing to tackle the systemic graft that has become entrenched in these government entities, NBR vigilance alone will not have the desired effect.

The other issue, of course, is to what extent NBR will be allowed to do its job when it comes to punitive action. As per Income Tax Ordinance 1984, any foreign worker employed without approval is

practice in many sectors to simply not declare foreign nationals working in their business ventures. These foreign nationals are paid a fraction of the owed salaries in local currency. The situation becomes clearer through an example: A foreign technician or management employee working in a local company is hired for, say, Tk 200,000 per month. The person is often housed in a dormitory-style apartment block with many other foreign nationals and his transportation is taken care of by the company. The person ideally requires no more than Tk 20,000-30,000 per month to live comfortably in the country (accommodation is usually taken care of by the company). The remaining Tk 170,000-180,000 is deposited to an account of his choosing in his home country via hundi (The Reserve Bank of India describes the Hundi as "an unconditional order in writing made by a person directing another to pay a certain sum of money to a person named in the order."). This suits both the employer and the employee, and the national exchequer loses out on precious tax revenue in a big way. In fact, this is how unscrupulous companies with foreign workers conduct their business. While the NBR can, and will, undoubtedly have some success in hunting down paperless foreign nationals, precisely what it will or can do to tackle the issue of hundi is altogether another matter.

That notwithstanding, the NBR can make life difficult for employer-companies if vigilance is stepped up at main points of entry. There are special income tax cells already operating at the three international airports in the country and at Benapole Land Port. However, again, the fact is that there are allegations that some members of law enforcement are working in cahoots with unethical business houses to look the other way when it comes to foreign nationals passing through these points of entry and exit. Hence, we come full circle on the question of systemic graft that will have to be addressed before we can expect to catch foreign tax dodgers in large numbers.

But, should the authorities get serious about punishing companies with punitive damages and jail sentences, then it will become uneconomical for the various sectors in our economy employing foreign nationals to skirt the system and avoid paying taxes. At the end of the day, one can only hope that the NBR will get the political backing it needs to clamp down on this illegal practice which, if checked, could increase income tax revenue manifold per annum.

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ILLUSTRATION: PIXABAY

visits to chosen companies to detect any unlawful activities related to tax and also take punitive actions against the guilty parties. It is hoped that these spot checks will have the desired effect on curbing the widespread misuse that currently exists with regard to payment of taxes by foreign employees.

The issue of foreign workers' tax evasion has been brewing for some time now. Back in 2015, the NBR prioritised dealing with foreign workers' tax evasion, and with good reason. By NBR's estimate back then, many foreigners were working without valid work permits. This has been going on for some time now. The largest concentration of foreigners working in the country are employed by the readymade

many hundreds of thousands of foreigners are working in the country without being under the tax regime is ludicrous, especially when one contends with the fact that revenue collection by NBR forms a cornerstone of our national budget. It makes sense for vigilance to be tightened in this area.

The law states that every foreign national appointed to work in a company must have prior permission from Bangladesh Investment Development Authority and Board of Investment. But the reality is quite different. Most companies are bringing in foreign nationals on tourist visas or short-term work visas (usually 3 months). These people go back to their home countries

punishable. It has been stated that NBR can technically withdraw tax-holiday facility and other exemptions enjoyed by companies and/or impose a Tk 500,000 fine or 50 percent of payable tax (whichever is higher) on the companies found to be guilty. What has changed in the course of the last two years, of course, is the introduction of the Finance Act 2015, which allows for the provision of imprisonment for up to three years for such offence.

From a legal point of view, the revenue authority has ample tools at its disposal to go after foreign tax evaders. However, evading companies are not lagging behind. What has perhaps not been written about in detail is the fact that it is standard

LETTERS TO THE EDITOR

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Taxing foreign remittance

I know a migrant construction labourer who remits his hard earned money from Malaysia, through the banking channel to his mother, who lives in Bangladesh, to meet day-to-day family expenditures. The money is not taxable for him, but taxable for his mother.

That means the individual who remits the money enjoys the benefit of tax-free foreign remittance but the receiver does not enjoy the same. In our neighbouring country India, there is a provision that the first receipt of inward foreign remittance by relatives is not taxable. Rather income generated from this inward foreign remittance is taxable. The definition of "relatives" is set out in the Indian Income Tax Act 1961.

We expect that in the near future NBR will address these complexities and encourage migrant workers to remit money to Bangladesh. Moreover, the first receipt of inward foreign remittance to relatives should be made tax-free and a related provision should be incorporated in the Income Tax Ordinance 1984.

Md. Monzurul Karim, By email

