

# Banks wary of running all card transactions thru' BB payment switch

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Banks and MasterCard have urged the central bank to review its directive to route all card transactions from the new year through the National Payment Switch of Bangladesh in a bid to mitigate risks of cyber attacks. Their concern stems from the NPSB's lack of PCI-DSS certification, a global security standard for organisations that handle branded cards. The standard was created by the five major payment brands JCB, American Express, Discover, MasterCard and Visa to increase controls around cardholder data to reduce fraud. All major banks are in the process of getting PCI-DSS certification, while the largest issuers are already certified, according to the Association of Bankers Bangladesh, a platform for chief executives of scheduled banks. "The certified banks are not comfortable in routing their card transactions through a non PCI-DSS complaint network of NPSB," said Anis A Khan, chairman of ABB, in a letter to the Bangladesh Bank governor last month.

The central bank has asked all banks to get the PCI-DSS certification by December 2018. Furthermore, the NPSB, as of now, has the capacity to handle transactions of magnetic stripe cards and not the more secured and the latest EMV chip cards, which the BB has asked to be introduced by June next year. Accordingly, almost all card issuers in Bangladesh have started sending out EMV cards to their customers. But transactions made with the EMV cards that have already been issued are also being routed through the NPSB in line with the central bank instruction, leaving them exposed to possible data breach risks, the ABB said. Even a transaction from an EMV card routed to NPSB but treated as mag-stripe transaction increases compromise risk, said MasterCard Bangladesh it its letter to SM Moniruzzaman, deputy governor of the Bangladesh Bank. "We have made significant investments to secure the cards, but if the switch itself is not secured our entire effort will go in vain," Khan said. Besides, the move to route all card

transactions through the NPSB will create a single point of system failure for domestic transactions, the ABB said. "A single node system is an easy target for hackers and fraudsters." Similar moves like this in other countries have exposed the market to repeated and targeted cyber-attacks and delayed the introduction of world-class safety and security features, according to the letter. ABB has also cited the neighbouring India as a reference point for the BB to emulate. The Reserve Bank of India has its own payment network, along with international payment brands, and cards are issued based on customer's discretion. The effectiveness of security attacks has a direct bearing on the general population's confidence and adoption of various forms of non-cash payments, MasterCard said in its letter. Subsequently, the two organisations will sit with Moniruzzaman today and tomorrow to address their dissatisfaction about the BB move. Contacted, Subhankar Saha, BB executive director and spokesperson, declined to comment on the matter.

## Farmers Bank pays back BTCL

STAR BUSINESS REPORT

Bangladesh Telecommunication Company Ltd (BTCL) has finally got back its deposit of Tk 35.44 crore from troubled Farmers Bank's Gulshan corporate branch. BTCL has deposited the money with Sonali Bank's Hotel Sheraton branch after getting refused twice by the Farmers Bank in honouring the cheque. Mallik Abdullah Al Mamun, manager of the Sheraton branch of Sonali Bank, confirmed The Daily Star today that they have received the deposit of BTCL. Earlier, on November 13, Farmers Bank issued a pay order against a matured deposit of BTCL worth Tk 35.44 crore. The state-owned telecom company placed the payment order twice on November 14 and 15 through its account with Sonali Bank. But the Farmers Bank did not honour the cheque citing a reason "item requires revalidation".

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# Bangladeshis keen on digital payment: study

STAR BUSINESS REPORT

As much as 65 percent of Bangladeshi consumers are keen to adopt digital payment solutions, indicating increased awareness and acceptance of electronic forms of payments in the country. The study was carried out by YouGov, an international Internet-based market research and data analytics firm based in London, on behalf of Visa, the global leader in digital payments technology. About 2,000 people in India, Bangladesh and Sri Lanka were surveyed in October this year. The survey was aimed at understanding the pulse of the Bangladeshi consumer and their views towards the transition to a digital economy. About 74 percent of the respondents said the key driver for adoption is the ease of transition into digital form factors of payments. Some 54 percent of the respondents said the main reason for moving away from cash is convenience, while 40 percent vouched for efficiency and speed of transaction offered by digital modes. Of the respondents for whom the adoption was tough, 69 percent find insufficient modes of payments as the key barrier, while 25 percent are worried about the security of their transactions. Significantly, over half of the consumers, or 55 percent, value security more than convenience when it comes to mak-

ing payments online. "This is similar across the board -- gender, ages, household income and even education levels," said Visa in a statement yesterday. The survey also showed that millennials are more likely to use digital payments for everyday essentials like shopping at supermarkets, online, department stores, restaurants and travel than the other generations. The inclination towards embracing digital payments is higher amongst those from a higher income household, the study found. In the statement, TR Ramachandran, group country manager of Visa for India and South Asia, said: "More and more consumers are becoming digital natives, expecting a differentiated experience, oriented towards convenience and practical usability." The Internet of Things, contactless payment technology, enabling simplified, secure and faster ecommerce experience are some of the trends defining the next wave of payments. The study shows that while consumers are steadily embracing digital payments, they are also seeking secure payment forms. "At Visa, we constantly innovate and evolve to provide seamless and secure digital payment options that will make transition to a digital economy a frictionless and trusted process," Ramachandran said.

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# Cutting trade gap with India not possible now

## Tofail claims rice market is stable now

STAR BUSINESS REPORT

The possibility of tilting the trade balance with neighbouring India into Bangladesh's favour is very slim, said Commerce Minister Tofail Ahmed yesterday in the parliament. "We are yet to reach that position," he said, adding that Bangladesh would have to wait until 2041 to bring the trade balance in its favour. Bangladesh imports products worth nearly \$6 billion from India, while its exports to the neighbouring country do not amount to more than \$700 million. He dismissed suggestions that the trade gap is damaging for the country, while citing the case with the US to back his point: Bangladesh's exports to the US stand at about \$6 billion whereas its imports from the US amount to not even \$1 billion, according to Ahmed. "Bangladesh has to import from India for its own interest." Ahmed also touched upon the current rice stock. The rice market is now 'stable' following the 26 percentage points slash in duty for its import. The prices of other essential commodities are normal and stable at present as the government has been able to combat dishonest businessmen and middlemen, who were involved in the price spiral of different essentials. "To reduce unemployment, the present government is considering the issue of sending workers with the utmost priority to countries that recruit workers from Bangladesh." As of October, 8.34 lakh Bangladeshi workers went abroad, he said.



STAR

JA Naser, director of Navana Ltd, and Takeshi Sugimoto, general manager of Toyota Tsusho Corporation, attend a press conference at The Daily Star Centre in Dhaka yesterday.

## Navana launches Corolla Altis

STAR BUSINESS REPORT

Navana Limited and Toyota yesterday launched Corolla Altis, a brand new car and the 11th generation in the corolla family, in the Bangladesh market targeting mostly high-value customers. JA Naser, director of Navana Limited, introduced the car at a programme at The Daily Star Centre in Dhaka, while Takeshi Sugimoto, general manager of Toyota Tsusho Corporation, was present. Altis has a 1,600cc dual VVT-1

engine combined with advance safety features with a price tag of Tk 39 lakh. The car has a unique look leaving behind the traditional exterior and will be suitable for this market, said Mohammad Hamdur Rahaman, general manager and head of operations of Navana Limited. Describing the special features of Corolla Altis, Rahaman said it would consume less fuel, has a vehicle stability controller and would ensure luxury and comfort, making it different from others, even in the Toyota family. Navana joined hands with Toyota

in 1964 and from then imported a good number of brand new Toyota cars and Hino buses which are especially designed for Bangladesh. Rahaman said it was the first time in Toyota cars in Bangladesh that they were offering a 10-inch GPS enabled monitor facilitating proper navigation, internet surfing and many other visually beneficial features. "Customers can easily avoid heavy traffic roads by using GPS and Google maps through this monitor," said Rahaman.

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# ActionAid barred from holding discussion on tax

## Police say the NGO did not take permission

STAR BUSINESS REPORT

ActionAid Bangladesh could not hold a discussion on corporate tax evasion and a cultural event in the city yesterday for not securing police permission. The international non-governmental organisation was scheduled to bring to a close its day-long campaign against tax dodging by multinationals and corporates as well as illegal capital flight through the discussion and a cultural show at the Rabindra Sarobar in Dhanmondi. But it had to wrap up before the event even started for not having police clearance, said AAB Country Director Farah Kabir. "We sent letter to the authorities but we did not get enough information that there has been a change in the rules of use of Rabindra Sarobar. We would have taken all permissions if we had known in advance about all the permissions required to hold the programme." AAB was allowed to hold programmes at Rabindra Sarobar previously and it followed the same procedure this time. "Rules can change, and we would have taken steps if we had been informed in advance about the change. We have the right to know if there is any change to rules," she added. Contacted, Abdul Latif, officer-in-charge of Dhanmondi police station, said AAB was allowed to hold rallies earlier in the day. He said the NGO had wanted to organise a concert. "Such event pulls a lot of crowd, so there is an issue of security." Permission from the commissioner of the Dhaka Metropolitan Police is required for holding a concert in the city, which the organisation did not have, he said. Earlier in the day, the AAB held rallies and demonstrations at 20 points as part of its campaign against corporate tax dodging.

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# China to support Bangladesh in earning middle income status

## Says Chinese Foreign Minister Wang Yi

DIPLOMATIC CORRESPONDENT

China will continue to contribute and extend full support to Bangladesh in its effort to be a middle income country by 2021, said Chinese Foreign Minister Wang Yi. "We know that the current priority for Bangladesh is to speed up development to deliver a better life to its people and become a middle-income country by 2021," Yi said at the Chinese embassy in Dhaka on Saturday. "China fully supports your efforts and will continue to make contribution." He said China is grateful to its friends in Bangladesh for firmly upholding the One-China Policy and supporting peaceful unification of China.



Wang Yi

As China is a strategic cooperative partner for Bangladesh, he said China will continue to stand by Bangladeshi people on issues of mutual interests. China is ready to deepen its cooperation with Bangladesh on the belt road

initiative, he said. "We believe such cooperation will open new opportunities. Our two governments have signed an agreement on the belt road cooperation." Yi said China is also ready to work with Bangladesh on BCIM, an economic corridor involving Bangladesh, China, India and Myanmar. Over the years, China has been providing development assistances to Bangladesh with a view to improving the livelihood of the people of Bangladesh. "Our ambassador has told me that China has been helping Bangladesh in building many bridges to make transportation and local people's lives easier and more convenient.

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# \$260m ADB fund for infrastructure

STAR BUSINESS REPORT

The Asian Development Bank has extended a \$260 million loan to Bangladesh to help the country develop infrastructure under public-private partnership. The private sector can get up to 80 percent of funds for infrastructure projects as cheap loans from the ADB. Yesterday, the Manila-based donor and the Economic Relations Division (ERD) signed agreements for the loans to help finance PPP projects and renewable energy interventions. The ADB said the assistance forms the first tranche of \$526 million multi-tranche loans for the Third Public Private Infrastructure Development Facility (PPIDF 3). "The PPIDF 3 seeks to increase investments in infrastructure, including renewable energy and energy efficiency facilities, aligned with

Bangladesh's Seventh Five-Year Plan," said ADB's Country Director Manmohan Parkash. "It will also help leverage private sector investments in PPP projects to reduce pressure on direct financing from the public budget to meet the growth target." The support consists of \$500 million market-based loan to finance medium and large-scale PPP infrastructure projects, and \$26 million concessional loan to finance small and medium-sized renewable energy and energy efficiency facilities, primarily in the rural areas. The fund will be disbursed through state-run non-bank financial institution Infrastructure Development Co Ltd (IDCOL). IDCOL shall ensure that the maximum amount of loan given to a project does not exceed 40 percent of the total project cost, except that with prior approval of the ADB, according to the lender's document.

If the project is about renewable energy or energy efficiency, 70 to 80 percent of the loan can be disbursed. The interest rate of the market-based portion of the loan will be LIBOR plus 100 basis points and that for concessional loan will be 2 percent. The IDCOL lending to private sector projects will bear an interest rate that reflects the state-agency's cost of funds plus a spread to cover transaction costs and risk to be determined by IDCOL based on commercial and competitive terms, according to the documents. The programme will also be supported by a \$750,000 technical assistance to further strengthen the capacity of IDCOL. The PPIDF 3 is a continuation of the previous efforts of the ADB, Bangladesh and IDCOL to address the country's infrastructure deficiencies. ERD Secretary Kazi Shofiqueul Azam and Parkash signed the agreements.