

After bitcoin's wild week, traders brace for futures launch

REUTERS, New York

The newest way to bet on bitcoin, the cryptocurrency that has taken Wall Street by storm with its stratospheric price rise and wild daily gyrations, will arrive on Sunday when bitcoin futures start trading.

The first bitcoin future trades are set to kick off at 6 p.m. EST (2300 GMT) on Cboe Global Markets Inc's Cboe Futures Exchange.

The launch has given an extra kick to the cryptocurrency's scorching run this year. It has nearly doubled in price since the start of December, but recent days saw sharp moves in both directions, with bitcoin losing almost a fifth of its value on Friday after surging more than 40 percent in the previous 48 hours.

But while some market participants are excited about a regulated way to bet on or hedge against moves in bitcoin, others caution that risks remain for investors and possibly even the clearing organizations underpinning the trades.

The futures are cash-settled contracts based on the auction price of bitcoin in US dollars on the Gemini Exchange, owned and operated by virtual currency entrepreneurs Cameron and Tyler Winklevoss.

"The pretty sharp rise we have seen in bitcoin in just the last couple of weeks has

probably been driven by optimism ahead of the futures launch," said Randy Frederick, vice president of trading and derivatives for Charles Schwab in Austin.

Bitcoin fans appear excited about the prospect of an exchange-listed and regulated product and the ability to bet on its price swings without having to sign up for a digital wallet.

The futures are an alternative to a largely unregulated spot market underpinned by cryptocurrency exchanges that have been plagued by cybersecurity and fraud issues.

"You are going to open up the market to a whole lot of people who aren't currently in bitcoin," Frederick said. The futures launch has so far received a mixed reception from big US banks and brokerages.

Interactive Brokers plans to offer its customers access to the first bitcoin futures when trading goes live, but bars clients from assuming short positions and has margin requirements of at least 50 percent.

Several online brokerages including Charles Schwab and TD Ameritrade will not allow the trading of the newly launched futures from day one.

Some of the big US banks including JPMorgan Chase and Citigroup, will not immediately clear bitcoin trades for clients, the Financial Times reported on Friday.

Summit to supply 300 MW by mid-2018

STAR BUSINESS DESK

Summit Gazipur II Power Ltd yesterday signed a project agreement with the government to supply 300 MW of electricity for a period of 15 years.

Nasrul Hamid, state minister for power and energy, was present at the signing ceremony at Bidyut Bhaban in Dhaka.

According to the agreement, Summit Gazipur II Power Ltd will commence commercial operation by mid-2018.

Once operational in mid-2018, it is expected to be the largest reciprocating engine run power plant in Bangladesh supplying 300 MW to the national electricity grid, according to a statement.



Nasrul Hamid, state minister for power and energy, and Muhammed Aziz Khan, chairman of Summit Group, attend a deal signing ceremony at Bidyut Bhaban in Dhaka yesterday.

Apparel export to US falls 4.22pc

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For the international market, India has brought down apparel prices to the level of Bangladesh by launching stimulus packages for the garment sector although the labour cost in India is higher compared to Bangladesh, said Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association.

American giants GAP and Walmart,

the biggest buyers for Bangladesh, have recently shifted some work orders to India because of quicker lead-times, which is also responsible for the fall in the garment exports to the US, he said.

He, however, did not specify the amount of work orders that have shifted from Bangladesh.

Rahman said Bangladesh's garment makers import a huge amount of fabrics from India and have to spend a lot of

time and go through a lot of hassles for the release of goods at Benapole land port, Chittagong port and Hazrat Shahjalal International Airport.

"As a result, the local garment makers can't maintain the lead-time and ultimately lose the work orders from the retailers and brands. So, we need to improve the port situation to perform well in the international markets."



Syed Manzur Elahi, chairman of Apex Group, Rajiv Prasad Shah, chairman of Reliance Insurance, and Farzana Chowdhury, MD of Green Delta Insurance, pose for photographs with the national winner of the Global Student Entrepreneur Awards (GSEA) in Dhaka on Saturday. The winner Sakib Manzur's "Sketch board Interactive" production company specialises in visual copy writing for business organisations. He will represent Bangladesh at the 2018 GSEA Global Finals in Toronto, Canada.

EO GSEA



Anita Haque, chairman of Paramount Textile Ltd, presides over the company's 11th annual general meeting at Spectra Convention Centre in Dhaka on Saturday. The company declared 5 percent cash and 10 percent stock dividends for the year that ended on June 30, 2017. Shakhawat Hossain, managing director, was present.

PARAMOUNT TEXTILE

NBR honours top VAT payers

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"This is really good to get this recognition. We expect that others will be motivated with the recognition that we have got," said Rupali Chowdhury, managing director of Berger Paints Bangladesh, one of the nine businesses.

None of the honoured companies had disputes with the NBR, which is one of the key selection criteria.

It would have been good if some material benefits were also provided to firms doing consistently well, said Chowdhury.

She said VAT, supplementary duty as well as corporate tax should be imposed at tolerable levels so that local manufacturers can compete with imported products.

This is the 12th year that the NBR acknowledged firms in manufacturing, trade and services in a bid to increase collection of VAT, which is now the biggest source of revenue followed by income tax and customs duty.

Also known as consumption tax, VAT accounted for 36 percent of the Tk 185,003 crore collected as revenue in fiscal 2016-17.

Although the collection has been increasing over the years, it was still short of the country's requirements, said Muhith.

"Yet a change is taking place and this is visible," he said, citing the increase in the number of Taxpayers Identification Numbers (TINs).

"Those who are paying taxes are mainly

the young people. They are on the forefront. They are taking our country forward," he said.

Amu called upon all to pay tax properly so that the state could continue development activities.

"When a road is built, many raise questions about its benefit. Many do not want to realise that businesses are set up on both sides of the road. This benefits several thousand families," he said.

"Tax payment creates increased scope for earnings," he said.

Amu suggested that NBR modernise the tax system so that people could pay it easily. "...so that people feel confident and transparency is ensured," he said.

Shafiqul Islam Mohiuddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, also demanded establishing a tax system enabling payments in an environment free from fear and harassment.

Muhammad Abdur Razzaque, chairman of the parliamentary standing committee on the finance ministry, said awareness has been increased and it was now time to translate it into action to boost revenue collection.

He said many shop operators do not want to accept credit cards against purchases. "Instead they want payments in cash to avoid tax payment," he said.

"How do we come out of this mentality?" he asked, stressing the need for ensuring that payments were accepted through cards so that VAT could actually reach the state coffers.

Regulator to audit Banglalink, Airtel

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The deadline for submission of expression of interest is 5pm January 11, 2018. The commission will call for final quotations from seven firms based on initial interests.

The winning firm must have at least a year's experience in telecom or IT sector along with five years of experience in auditing.

The appointed auditor will be liable to find out the actual revenue generated by the company and the calculation procedure used to make payment to the commission for a particular or the whole licensing period and reconcile them with the operator's financial statements and other records.

The firm will also analyse audited financial statements to identify misstatement or manipulation of any facts and examine call logs, network traffic, transmission and access networks, value-added service systems, revenue sharing with the government and tax-

related issues among other tasks.

The telecom regulator appointed chartered accountancy firm Toha Khan Zaman & Co in October 2015 to carry out the audit into Grameenphone and Masih Muhith Haque & Co in March 2016 for Robi.

The BTRC gave the auditors 180 days to complete the tasks but both the firms failed to finish it within the timeframe.

Both the audits are at the final stage, said the officials who are related with the process. "All of these audits will help establish check and balance in their systems," said a senior BTRC official.

State-owned operator Teletalk and out-of-operation Citycell are yet to face any regulatory audit.

In October this year, the BTRC adopted a policy to audit mobile operators every three years to avoid complexities that stemmed from running audit after a long gap.

Foreign funds in stocks double

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November's activities take the net position of foreign portfolio in the first 11 months of the year to Tk 1,642 crore, up 72 percent from the same month a year ago.

Foreign investors will continue to invest in stocks in the coming days in anticipation of steady economic growth, the DSE official said.

Moreover, the impending earnings reporting by financial institutions towards the end of the year will boost investor activities in the market, he added.

DAILY MARKET

The daily turnover at the prime bourse

yesterday hit a six-month low at Tk 432.86 crore due to the free fall of banking stocks.

The benchmark index, DSEX, shed 43.80 points to close at 6,204.43. The session started on a bullish note but witnessed a free fall because of correction in the heavyweight sectors such as banking, said UCB Capital Management in its daily market analysis.

Banking stocks accounted for 17.08 percent of the day's turnover, it said. After banks, telecom stocks declined 0.61 percent.

Sintex Industries was the day's highest traded stock with a turnover of Tk 13.48 crore, followed by Bd Thai at Tk 12.12 crore.

China to consider impact of new asset management rules

REUTERS, Beijing

China will "fully" consider the possible impact on banks and markets before finalising its new asset management rules, Xinhua news agency quoted a senior banking regulator as saying on Saturday.

China issued draft guidelines last month to tighten rules on the asset management industry, the latest step by Beijing to fend off systemic risks from the country's rampantly growing shadow banking sector.

"The new regulations will fully consider the impact on banks and markets before being finalised," Xinhua quoted Liu Zhiqing, deputy director general of the China Banking Regulatory Commission's prudential regulation bureau, as saying.

"We are seeking comments now, hoping all parties will make suggestions and come up with good solutions that will be implemented smoothly."

10 Minute School wins Asia-Pacific ICT award

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Yesterday, State Minister of ICT Zunaid Ahmed Palak said Bangladesh's current annual IT export earnings amounted to about \$800 million and the country was targeting to earn \$1 billion by next year and \$5 billion by 2021. "To meet that target, events like these are very important," he said.

Bangladesh organising the competition just two years after becoming a member is a great achievement, said Russell T Ahmed, convener of the event.

These kinds of events will help highlight the country as the world's next ICT hub, he said, adding that the programme would also help the country explore new business opportunities. BASIS President Mustafa Jabbar was also present.



Sahil O Khan, managing director of Knots Logistics Ltd, and Hasanul Bari, managing director of Sealink Engineering Ltd, attend a deal signing ceremony at the latter's office in Dhaka. Sealink will build shallow tankers for Knots, which will use those to transport heavy fuel oil for private power producers.

KNOTS LOGISTICS

NRB Commercial restructures board

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"Ahsan is the actual beneficiary of the shares held by two NRBC directors -- Kamrun Nahar Sakhi and ABM Abdul Mannan," said the BB report, adding that it means the shares are forfeitable.

For instance, the bank board approved a Tk 140-crore loan for AG Agro, a concern of Ahsan Group, on May 8, 2013 -- just four days after Ahsan had submitted the loan application.

Since the collateral against the loan was only Tk 3.91 crore, the BB advised the bank to bring down the loan amount. But the board instead raised the loan amount to Tk 183 crore in May last year, putting the bank at risk, the BB report stated.

Ahsan was present in an annual general meeting of NRBC as proxy for

Sakhi, who lives in Canada. He also attended several meetings of the bank's board and the executive committee.

As allegations of irregularities at the bank began to surface in 2015, Sakhi and Mannan were replaced by AKM Shafiqul Islam and Syed Golam Farouque -- both directors of Ahsan Group, which is owned by Ahsan.

But Farouque had attended four meetings of the bank board even before his appointment, the BB investigation found. Subsequently, the BB on March 20 issued a letter to then-chairman Ali, asking him to explain why the board would not face action for its misdemeanours.

The BB on December 6 also took a decision to remove the bank's managing director over his alleged involvement in

a number of loan scandals, only to be thwarted by the High Court the following day. The court also issued a rule asking the BB and the government to explain why the central bank's decision to remove Rahman should not be declared illegal.

The central bank will move to vacate the writ petition filed by Rahman at the earliest, said its deputy governor SK Sur Chowdhury.

Contacted yesterday, Rahman said: "I asked the new board not to take any measure against me breaching the high court decision and the BB circular."

NRBC's default loans stood at Tk 194 crore at the end of the third quarter, up from Tk 128 crore a year earlier.