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১৮-উর্ধ্ব মহিলারাও এই হিসাবটি খুলতে পারবেন।

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Tax receipts slow

STAR BUSINESS REPORT

Tax collection growth slowed down in the first half of fiscal 2018-19, in what can be viewed as a major setback for the government's efforts to ramp up revenue.

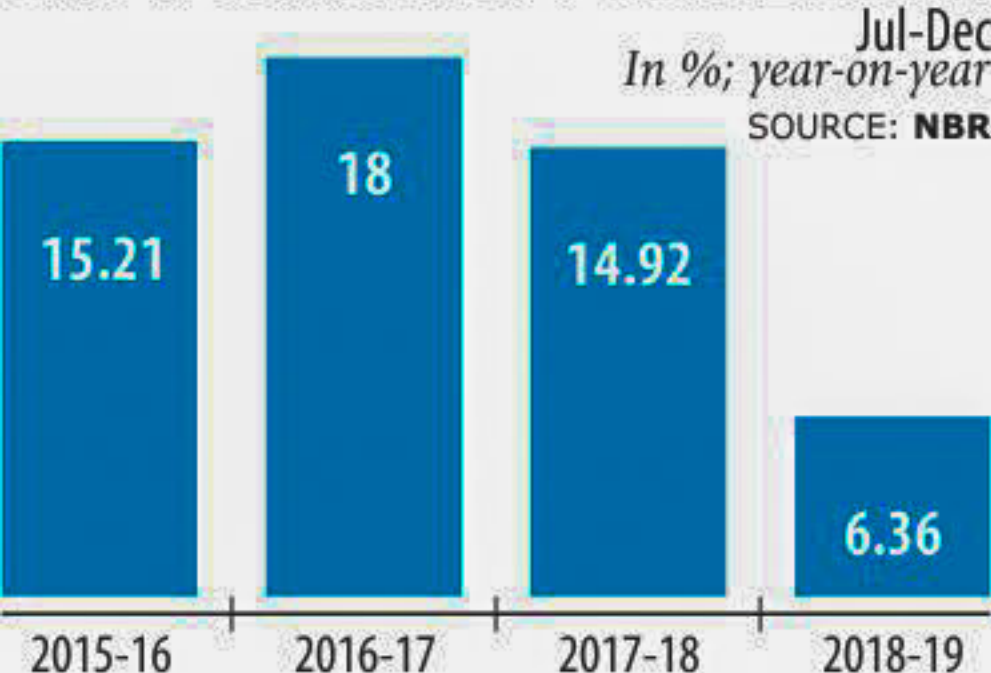
Between the months of July and December last year, Tk 98,027 crore was collected by the National Board of Revenue, missing the target for the period by Tk 28,000 crore.

The receipts are an increase of 6.36 percent from a year earlier, but the growth is the lowest in recent years.

Underwhelming collection from import tariff and value-added tax (VAT) from domestic businesses was the major reason behind the low growth, NBR's provisional data showed.

Collection of VAT, the biggest source of revenue, was Tk 38,452 crore during the period, up 5.26 percent year-on-year.

GROWTH IN NBR'S COLLECTION



Former finance minister AMA Muhith, second from right, shares a moment with his successor AHM Mustafa Kamal, right, while Md Mosharraf Hossain Bhuiyan, third from right, chairman of the National Board of Revenue, looks on at a programme organised by the revenue authority at its Dhaka office yesterday to bid farewell to Muhith and greet Kamal.

Customs could log in 3.72 percent higher collections year-on-year, at Tk 30,818 crore.

During the period, income tax collection grew 10.94 percent year-on-year to Tk 28,756 crore.

At a press briefing organised ahead of the International Customs Day tomorrow, NBR

Chairman Md Mosharraf Hossain Bhuiyan linked the slowdown in collection to reconciliation of data with the Controller General of Accounts (CGA) office, whose account is taken to be the official figures.

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Agrani Insurance evades huge VAT

The insurer hid premium; practice common in industry, says tax official

JEBUN NESA ALO

A policyholder of Agrani Insurance Company Ltd paid a premium of Tk 270,094 against a fire insurance policy in May 2016. The required value-added tax on the premium was Tk 40,514.

But the insurer issued a duplicate money receipt of the National Board of Revenue that showed that the premium amount was Tk 1,340 against the policyholder and con-

practice in the insurance industry to dodge VAT," said Kazi Mostafizur Rahman, commissioner of the Customs, Excise and VAT Commissionerate, Dhaka (South).

How Agrani dodged the VAT is one of the numerous ways that the insurers use to evade tax and VAT, Rahman said.

The VAT Commissionerate has filed a case to realise the money and the insurance company is paying it gradually, Rahman said, adding that financial penalty will be



sequently paid Tk 201 in VAT to the government exchequer.

This way Agrani Insurance evaded around Tk 5 crore in VAT, according to the findings of the VAT Intelligence Directorate last year.

The case reflects how insurance companies are hiding the original premium in order to dodge taxes, keeping the real growth of the premium of the industry in dark.

"Agrani is not alone and it is a common

imposed on the company after recovering the sum.

Non-life insurance companies are required to pay 15 percent in VAT on clients' premium as per the Value Added Tax Act, 1991.

The case of Agrani Insurance prompted the VAT Commissionerate to run a massive drive against insurers to find out how they evade taxes, according to Rahman.

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Japan wants FTA with Bangladesh

Says Kamal

STAR BUSINESS REPORT

Japan has expressed its interest to sign a free trade agreement with Bangladesh, Finance Minister AHM Mustafa Kamal said yesterday.

Hiroyasu Izumi, Japanese ambassador to Bangladesh, showed the willingness when he met with the minister at his secretariat office on Wednesday, according to a statement of the ministry.

"Japan is a very trusted friend of Bangladesh and doesn't have any political agenda. So, it is very easy to work with Japan," he said.

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NEWSIN brief

MI Cement to expand production capacity

MI Cement, the owning entity of popular brand Crown Cement, plans to expand its daily production capacity by 76 percent to 19,400 tonnes with the introduction of the sixth manufacturing unit inside its factory premises in Munshiganj. The estimated project cost is Tk 600 crore, including civil construction. The cement maker says commercial production from the project will begin in January 2021.

Eastern Share asked to plug deficit of customers' account

The stockmarket regulator has found that Eastern Share and Securities Ltd, a brokerage house of Chittagong Stock Exchange, has a deficit of Tk 3.58 crore in its consolidated customers' account as mentioned in the financial report as on June 30 of 2017. So the watchdog has given the broker four months to plug the deficit. During the period, Eastern Share will not get any dividend from the port city bourse.

Fabric makers look to expand global footprint



PRABIR DAS

Customers point out a roll of wholesale fabric they seek to check out at a stall of Bexi Fabrics at Dhaka International Trade Fair yesterday.

STAR BUSINESS REPORT

Local fabric manufacturers are keen to increase their share in the global market on the back of the quality and diversified range of products they make, said businesspeople.

Some of them are taking part at Dhaka International Trade Fair (DITF) in Sher-e-Bangla Nagar in the capital to brand and market their products among both local and foreign clients.

Bangladesh exports home textile products, including bed sheets, bedspreads, pillows, pillow covers, cotton table napkins, furnishing fabrics, curtains, window and door curtains, cushions, cushion covers, carpets, table covers, kitchen accessories, mattress covers and bath linens.

Mohammad Zakaria, pavilion in-charge of Bexi Fabrics, said the company is displaying hundreds of items for men, women and children.

He says visitors prefer Bexi products thanks to its quality and competitive prices. The manufacturer is selling products at wholesale prices on the occasion of the fair.

Rezaul Haque Raju, pavilion in-charge of Classical Hometex Ltd, said the manufacturer's major target is to catch the attention of foreign buyers. A number of foreign buyers have visited the pavilion and discussed about buying products.

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FACTORY INSPECTION Beef up local agency: EU

STAR BUSINESS REPORT

The EU yesterday suggested the government strengthen the capability of the local inspection and monitoring agency so that it can take over the works of the Accord after its departure.

"That should ultimately be the goal," said Rensje Teerink, the EU ambassador to Bangladesh.

It was never the intent of the Accord and the Alliance to stay on in Bangladesh permanently, he told journalists after a meeting with Commerce Minister Tipu Munshi at his secretariat office in Dhaka.

"Does the Remediation Coordination Cell have enough capacity is what remains to be seen," she said, adding that the International Labour Organization (ILO) has a major role to play in strengthening the RCC.

The government with the assistance from the ILO formed the RCC in May 2016 to take over the activities of the Accord and the Alliance, the two foreign inspection agencies.

The Alliance, the platform of 28 North American retailers formed in the aftermath of the Rana Plaza collapse in May 2013 to fix the structural, fire and electrical loopholes in factories, left Bangladesh after the completion of its five-year tenure. The Accord, the European retailers' platform, is fighting in the court to extend its tenure as it thinks more needs to be done.

"The final thing is that we have to make our factories compliant," Munshi said while speaking about the departure of the Accord.

Meanwhile, the EU is also reviewing its Generalised System of Preferences (GSP) scheme, under which the least-developed countries, including Bangladesh, currently enjoy zero-duty benefit, Teerink said.

"Many changes may come in the GSP following the review."

In the next EU-Bangladesh Business Climate Dialogue in Dhaka in March the future challenges in bilateral trade and investment will be discussed.

"I am hopeful that we can overcome many challenges in the upcoming business climate dialogue -- the EU is such an important trade partner of Bangladesh," Teerink said.

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