

SIBL NOW
Quicker Easier & Safer
 Transfer Fund, Pay Utility Bill, Top Up Mobile Balance & many more

SIBL
 Social Islami Bank Limited

star BUSINESS

DHAKA MONDAY FEBRUARY 4, 2019, MAGH 22, 1425 BS • starbusiness@thedailystar.net

Three more years to get back funds

STAR BUSINESS REPORT

Bangladesh Bank will have to wait for at least three more years to recover the amount stolen from its account three years ago, said its high official upon his return from filing a case with a US district court over the cyber heist.

The case was filed with the Southern District of New York on February 1 against: seven institutions including the Rizal Commercial Banking Corporation of the Philippines, 15 individuals and 25 unknown persons, said Ajmalul Hossain QC, the BB's attorney.

"There might be challenges to jurisdiction, but we can establish it," he said at a press briefing yesterday to inform on the case filed.

He expects the legal case to be settled in three years' time. Quizzed about the RCBC's assertion that the case against it was "completely baseless", Hossain said they unearthed information from the Filipino bank's internal documents that suggest otherwise.

All the closed-circuit televisions of the RCBC branch were switched off between the nights of February 4 and February 9, 2016.

Besides, the branch of the RCBC also disconnected its SWIFT network on February 7 although the bank stopped its banking operations from February 6 for two days on the occasion of public holidays and Chinese New Year.

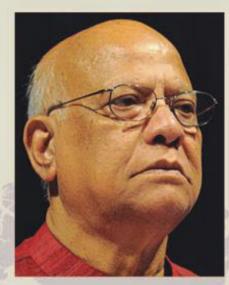
The branch should have disconnected the SWIFT network on the eve of February 5, considering it was the last working day, he said.

But it disconnected the network on Sunday (February 7), when the Bangladeshi banks resumed operations after the weekend.

"We think that the branch had intentionally done it so that no message could send to it from the Bangladesh Bank's end regarding the reserve heist," Hossain said.

The central bank has so far spent about Tk 3 crore to recover the stolen funds, said Bangladesh Financial Intelligence Unit Head Abu Hena Mohd Razeen Hassan, who is overseeing the BB's efforts to retrieve the \$66.46 million that is at large.

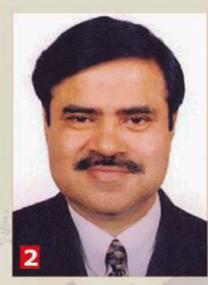
THREE YEARS ON HEIST THAT RATTLED WORLD



AMA Muhith vowed to make the probe report public several times, but it never happened



Forced to resign: 1. Governor Atiur Rahman, 2. DG Abul Quasem, 3. DG Nazneen Sultana 4. Banking Division Secretary M Aslam Alam made Officer on Special Duty



TIMELINE

FEB 4, 2016: A cybercriminal gang hacked BB's account with New York Fed and wired \$81m to the Philippines' RCBC and \$20m to Sri Lanka.

MAR 7, 2016: The issue came to the media. By the time BB got back \$20m from Sri Lanka.

MAR 11, 2016: US-based FireEye was hired to carry out forensic investigation into the hacking.

MAR 15, 2016: BB formed a 3-member probe committee led by former governor Mohammed Farashuddin.

MAR 15, 2016: BB Governor Atiur Rahman and 2 deputy governors resigned. M Aslam Alam, secretary of the banking division, made OSD (officer on special duty).

MAR 15, 2016: BB filed a case with the Motijheel Police Station under the money laundering prevention act.

APRIL 18, 2016: The CID of Police found at least 20 foreign nationals involved in the heist.

MAY 30, 2016: Farashuddin-led committee submitted its report to Finance Minister AMA Muhith and found SWIFT among others responsible.

AUG 21, 2016: Muhith again vowed to make the probe report public by Sep 24.

NOV 12, 2016: \$15m recovered from Philippines.

NOV 28, 2016: A Bangladesh delegation visited Philippines and sought \$50m compensation. Philippines denied.

MAR 29, 2017: An FBI official in Philippines said the heist was state-sponsored. He hinted at North Korea.

APRIL 19, 2017: Kaspersky Lab said cyber gang Lazarus Group carried out the heist.

DEC 11, 2017: Muhith vowed to wipe out RCBC for its delinquency.

JUL 5, 2018: CID submitted its forensic report to a Philippines court.

JAN 9, 2019: A Dhaka court directed CID to submit its probe report by February 10.

JAN 10, 2019: A court in Philippines convicted RCBC Manager Maia Deguito of over \$81m laundering and jailed her up to 56 years and fined \$109m.



Maia Santos Deguito
 RCBC Manager, the main accused. She is convicted of \$81m laundering and was jailed up to 56 years and fined \$109m.



FEB 1, 2019: BB filed a case with a New York court against RCBC and others, including several top executives.

CYBER HEIST SWIFT says it's helping BB rebuild network

REUTERS, New Delhi

International payments network SWIFT said on Saturday it had signed an agreement with Bangladesh's central bank to help it rebuild its infrastructure after hackers used it to steal \$81 million in 2016 in the world's biggest cyber heist.

Unidentified hackers, suspected to be from North Korea, carried out the heist by breaching Bangladesh Bank's systems and

using the SWIFT network to send fraudulent money transfer orders to the New York branch of the U.S. central bank, with which the Bangladeshi central bank has an account.

SWIFT's comments came after the New York Fed on Friday agreed to provide "technical assistance" to Bangladesh Bank in its lawsuit against Manila-based Rizal Commercial Banking Corp (RCBC). RCBC was used to funnel the money, much of which disappeared into the casinos of the Philippines.

RCBC has called the legal action Bangladesh Bank filed on Thursday as beyond the U.S. jurisdiction, "completely baseless" and "nothing more than a thinly veiled PR campaign" to shift blame from itself.

READ MORE ON B3

dbi CERAMICS
 PROUD PLATINUM SPONSOR
 01713656565

TRANSFER PRICING LAW NBR reaping benefit

SOHEL PARVEZ

The National Board of Revenue logged in Tk 10 crore in the last fiscal year thanks to 8-10 multinational companies' voluntary compliance with a rule that requires foreign firms to declare transactions with their overseas entities.

"We have seen 8-10 multinational companies have voluntarily paid the tax after examining their transactions with their associated enterprises abroad," said a senior official of the NBR's transfer pricing cell.

More than 100 multinational companies have submitted their statements of international transactions (SITs) along with their returns, he said.

Now, the revenue authorities will examine the transactions with their associated enterprises abroad and see how many of them voluntarily paid tax after calculating arm's length price, the official said.

Arm's length pricing is when the buyer and seller of a product or service agree on a price by acting in their self-interest and are not subject to any pressure or duress from the other party.

It assures third parties that there is no collusion between the buyer and the seller.

READ MORE ON B3

Remittances rise on weak taka

STAR BUSINESS REPORT

Remittance inflow edged up 15.23 percent last month thanks to the continuous depreciation of local currency against the greenback, which allowed the local beneficiaries to get more.

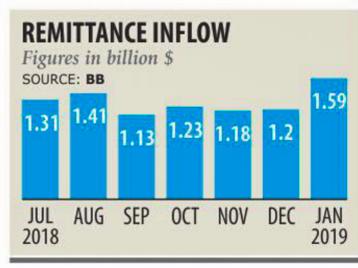
The inter-bank exchange rate throughout January stood at Tk 83.95, up from Tk 83.90 the previous month.

Subsequently in January, expatriate Bangladeshis sent home \$1.59 billion, up 32 percent from the previous month, according to data from the Bangladesh Bank.

January's receipts take the remittance inflows in the first seven months of the fiscal year to \$9.08 billion, up 27 percent year-on-year.

The central bank in its latest monetary policy set the remittance growth target for fiscal 2018-19 at about 11 percent. Remittance inflows last fiscal year amounted to \$14.98 billion.

Inflows increased as the central bank has taken various measures to curb remittance



through the illegal channel, said a senior BB official.

Moreover, the dollar's appreciation against the taka encouraged remitters to send money home through the official channel, he added.

In the first six months of last fiscal year, taka depreciated 0.2 percent against the US dollar. The depreciation was moderate as the BB sold over \$1.1 billion to avoid excessive fluctuation of the exchange rate.

READ MORE ON B3

Wealth concentration a concern: UN official

STAR BUSINESS REPORT

Concentration of wealth to a certain group of people in Bangladesh is a source of concern as it is stoking income inequality, said a senior official of the United Nations yesterday.

Income inequality is rising not only in Bangladesh but also in its comparable countries, said Mia Seppo, the UN resident coordinator in Bangladesh.

Seppo was speaking at the launch of the "Sustainable Development Goals: Bangladesh Progress Report 2018" at the National Economic Council auditorium in Dhaka.

"The report shows that the development policies have been inadequate to offset the forces that create income inequality in economies. Budget allocation also shows a mixed picture."

"As Bangladesh seeks to graduate to a middle-income country, it needs to make progress in other critical areas, notably in good governance, the rule of law and effective and independent institutions."

READ MORE ON B3



Salespersons of a foreign stall selling ornaments try on products for customers at Dhaka International Trade Fair in Sher-e-Bangla Nagar of the capital. The photo was taken last week.

Economic zones' factories to get uninterrupted power

STAR BUSINESS REPORT

New and relocated industrial units in the economic zones will be given uninterrupted power supply, Nasrul Hamid, state minister for power, said yesterday.

He said industrialists should not worry about the availability of power as the generation capacity is increasing.

"There are about 4,000 megawatts of unused electricity at this moment and the government is paying for it," he said while addressing a programme at The Westin Dhaka hotel.

The Federation of Bangladesh Chambers of Commerce and Industries (FBCCI) organised the institutional dialogue styled "Success in power generation: best use of power in achieving dynamic growth".

Bangladesh's installed power generation capacity is 20,854MW. Actual generation was 8,744MW yesterday, according to the power division.

"There is no power shortage in the country," said the state minister.

He, however, said the government faces challenges in ensuring quality power transmission.

READ MORE ON B3