# Tax lawyers against NBR bid

#### They oppose scrapping practitioners' bar membership requirement

STAR BUSINESS REPORT

Tax lawyers have urged the government to scrap a provision in the proposed fiscal measure that allows former tax officials to practise tax law without becoming members of a tax bar association, said a press release on Tuesday.

Presently, an individual has to become a member of a taxes bar association to be an income tax practitioner.

The National Board of Revenue (NBR), in tax bar association. the Finance Bill 2019, is seeking to abolish the requirement from next fiscal year, a move, which tax lawyers say, is meant to allow former income tax officials to provide tax consultancy without membership of a bar association.

"The abolition of the existing provision will create anarchy in the profession and it will not be possible to maintain discipline," said Md Suhrab Uddin, convener of Bangladesh Tax Lawyers' Association (BTLA), in the press release.

"The existing provision has been in place for a long time. Now there is a plot to abolish it," he said.

Md Humayun Kabir, president of Dhaka Taxes Bar Association (DTBA), termed the abolishment of the provision a black law.

The two associations alleged that a section of officials of the NBR misled the top brass of the tax administration.

Shah Zikrul Ahmed, a former president of the BTLA, said none should be allowed to work as an income tax practitioner if he or she does not first become a member of a

If a tax lawyer becomes a member of a bar association, he or she comes under a form of accountability, said Md Khurshed Alam, a former president of the DTBA. Nasir Uddin Ahmed, general secretary of

the DTBA, said tax lawyers play an important role in helping generate revenues. Both the BTLA and the DTBA represent 40,000 tax lawyers across the country. The

two associations have been protesting the proposal after the placement of the Finance Bill in parliament on June 13. The movement, which includes sit-ins,

will continue until the demand is met, said the press release.

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ANNUAL GENERAL MEETING

৩৬<sup>৯ম</sup> বার্ষিক সাধারণ সভা

The City Bank Limited

দি সিটি ব্যাংক লিমিটেড

Venue: Kurmitola Golf Club

Dhaka Cantonment, Dhaka

Allocation for water, sanitation

However, he praised the government for the upward trend

Finance Minister AHM Mustafa Kamal has proposed to

Rahman said the WASH expenditure trend shows under-

Human resources and the capacity of local governments,

He recommended the government raise allocation to

meet WASH needs in rural and hard-to-reach areas such as

chars, haors and coastal islands and prioritise WASH in the

Eighth Five Year Plan in order to meet the SDG targets of

Md Khairul Islam, country director of WaterAid

Bangladesh, said geographical inequality still remains in

WASH budgeting, with cities and towns receiving a major

portion of the funding while the rural and char areas

Special emphasis should be given on the lowest income

Mohammad Monirul Alam, WASH specialist at Unicef

Bangladesh; Shah Md Anowar Kamal, executive director

at Unnayan Shahojogy Team, a national NGO; and

Mohammad Zobair Hasan, director at the Development

quintile, with provision for subsidies to support access to

"We have to ensure that no one is left behind."

getting much less although they need the most.

Organisation of the Rural Poor, also spoke.

kept on a tight leash

Foreign digital campaigners

safe water and sanitation, he said.

safely managed water and sanitation for all.

the Department of Public Health Engineering and

allocate Tk 10,161 crore for the sector in 2019-20, up from

scarce in rural areas: experts

in budgetary allocation for the WASH sector.

Tk 9,570 crore in the revised budget.

utilisation of the allocation.

the funds.

Mindshare.

### German consumer mood clouds over in July

AFP, Frankfurt Main

Germans' view of the economy heading into July has darkened, a regular poll published Wednesday found, as global trade conflicts weigh on hopes for a continuing job boom.

Pollsters GfK said their forward-looking consumer confidence barometer fell 0.3 points compared with June, to 9.8.

The survey of around 2,000 people looks at expectations for economic activity and salaries, as well as their openness to making purchases.

For July, consumers' view of the prospects for the whole economy ended a slide that began in 2018 with a slight increase, but remained at "a comparatively low level, GfK said. Readiness to buy also increased, but salary expectations "suffered a bitter blow," the pollsters found.

"The number of voices speaking of an end to the employment boom is multiplying, and in consequence many workers' fear of losing their jobs has grown," GfK said.

In May, the BA federal labour agency reported rising unemployment for the first time since 2013, adding 0.1 percentage points to reach 5.0.

Meanwhile surveys of investor and business confidence for the coming months have also fallen.

Trade conflicts with the US -- and knock-on effects from Washington's confrontation with Beijing -- as well as other factors have weighed on the German economy in recent months.

Especially hard hit have been sectors vital to Europe's powerhouse, like carmaking.

Auto manufacturers must also contend with a transition to building electric cars that will likely require less labour.

"The coming months will show whether this fall is a one-off outlier or the beginning of a change in course for the indicator," GfK said.



Sheikh Fazle Fahim, president of the Federation of Bangladesh Chambers of Commerce and Industry, launches NRBC Bank's mobile app "NRBC PLANET" at the bank's head office in Dhaka yesterday. SM Parvez Tamal, chairman of the bank, and Khondoker Rashed Magsood, CEO, were present.

#### FedEx offers cautious 2020 outlook

AFP, New York

FedEx warned Tuesday that its fiscal 2020 earnings outlook remains clouded by trade war uncertainty as the company's chief executive criticized the Trump administration's lurch towards protectionism. Overall the company is projecting 2020 diluted earnings-

per-share to be down by a "mid-single-digit" percentage point compared with the 2019 level. FedEx expects higher operating income in fiscal 2020

from its domestic package and freight shipping services as growing e-commerce activity fuels higher revenues. But operating income is expected to be dented at FedEx

Express, its international shipping division, in part because of trade uncertainty. "We've been very disappointed over the last few years

with the assumptions that we made on the growth of international trade, particularly with the Trump administration," Chief Executive Fred Smith said on a conference call with financial analysts. "The United States policy since 1934... was to expand

international trade and now we have a huge dispute with China where the US has basically become protectionist, defined as 'I'll make everything I need in my own borders.' Smith, long an outspoken advocate of free trade, also took issue with China's policy on trade, which he described as "mercantilist." US President Donald Trump and Chinese leader Xi

Jinping are expected to meet at the G20 gathering in Japan later this week, an occasion that investors are hoping will bring the two countries closer to agreement after months of tariffs, countermeasures and threats.

Smith said the company remained committed to operating in China and "completely dedicated" to complying with Chinese laws.

# NRB Bank re-



STAR BUSINESS DESK

Mohammed Mahtabur Rahman has recently been re-elected chairman of NRB After completing his

education, Rahman pursued a career in his familyowned business which was established in Makkah, Saudi Arabia in 1970, according to a statement yesterday. He is currently the

chairman and managing director of Al Haramain Perfumes Group of Companies. He is the founder president of Bangladesh Business Council in Dubai and the NRB CIP Association in Bangladesh.

Rahman is also the sponsor of Sheikh Khalifa Bin Zayed Bangladesh Islamia (Pvt) School in Abu Dhabi, UAE.

He is chairman of Al Haramain Tea Co and Al Haramain Hospital in Bangladesh.

#### **BASIC Bank gets** new MD



STAR BUSINESS DESK

State-owned BASIC Bank has finally got a managing director. The post had been vacant since November last The Financial Institutions

Division of the Ministry of Finance issued a letter on Tuesday nominating Md Rafiqul Alam as the bank's managing director. Prior to the

appointment, Alam was the managing director of Rajshahi Krishi Unnyan Bank, BASIC Bank said in a statement yesterday.

He was also the deputy managing director of Agrani Bank where he joined as a senior officer in 1983.

He also worked at Bangladesh Development Bank as a deputy managing director.

"The policymakers, especially the National Board of Revenue, need to study why foreign companies are leaving Bangladesh. We think we have a serious problem on financial regulation." Increasing the supplementary duty is a crime when the government is encouraging digital lifestyle and wants

to expand the service to the remotest corners, Kabir added. Meftha Uddin Khan, member of the NBR's Tax Survey & Inspection department, said this year they are getting huge reactions from different levels, especially from the digital

segment. Md Saiful Islam, an additional secretary to the telecommunication division, said they have already got feedback from different stakeholders, which they passed on to the finance minister. Hossain Sadat, director and head of regulatory affairs at Grameenphone; Sarwar Hossain Khan, head of tax at Banglalink; and Md Saifur Rahman, a deputy general manager of Teletalk, also spoke on the occasion.

### Pathao downsizing on fund shortage

Insiders said the downsizing of the workforce comes at a time when the government was about to issue a licence for the ride-hailing companies operating in the country and non-compliance plays a huge role here.

Industry analysts and investors assume that the investors backed out due to these regulatory reforms and, more importantly, due to global uncertainty on the ride-hailing revenue model as municipalities need to be enhanced for the proper use of | a whole.

> rounds, Pathao spent an obscene amount on marketing, including more than Tk 1.5 crore to be a sponsor of the Bangladesh Premier League (BPL) T20 tournament, said an ex-employee, who left the company a few months back.

However, The Daily Star was not able to verify the numbers independently.

marketing and public relations of Pathao, said the firm is entering its next phase of evolution as

services are more accessible, customer-centric and reliant on technology. "We are hopeful that this new path will help us stay ahead of the changing market conditions and ensure the company's long-term success," she added.

The Daily Star also contacted Openspace Ventures and they said a restructuring has taken place at Pathao, and they believe that the changes will put the company in a strong position to execute its business model. "Bangladesh remains a country we want to invest in, and we think this allows them to maintain their leading position in the market," said Hian Goh, general partner of Openspace Ventures.

## Facebook's crypto currency faces pre-G20 examination

on notice from powerful regulators including the Fed chief that its ambitious plans for a global crypto-currency face piercing scrutiny.

Aziz Al Kaiser, chairman

annual general meeting

in Dhaka yesterday. The

bank approved 6 percent

stock dividends for 2018.

Mashrur Arefin, CEO, was

at Kurmitola Golf Club

cash and 5 percent

present.

CITY BANK

of City Bank, presides

over the bank's 36th

consortium of companies, and could see Facebook leverage its two billion-plus users to bring crypto-money out of the shadows and into the mainstream.

Powell, addressing the launch for the first time on Tuesday, added his considerable voice to warnings heard already from regulators in

told an event sponsored by the Council on Foreign Relations in Washington. "Given the possible scale of it, I think that

our expectations from a consumer protection standpoint, from a regulatory standpoint, are going to be very, very high," he said.

launching next year, will slash transaction costs and bring more services to people without access to the banking system.

cannon in the armoury of international finance, and Powell was not alone this week in starting to erect his defences as the G20 leaders prepare to meet in Japan this weekend.

Financial Stability Board and a deputy to Powell at the Fed, presented a report to the G20 leaders highlighting the risk of crypto-assets being exploited for money-laundering and financing of terrorism.

a risk to global financial stability, gaps may occur where crypto-assets fall outside the scope of regulators' authority or from the absence of international standards," he wrote in a letter to the leaders.

"A wider use of new types of crypto-assets for retail payment purposes would warrant close scrutiny by authorities to ensure that they are subject to high standards of regulation," Quarles added, in a nod to Libra.

The Libra consortium is to be based in Geneva, and the Swiss Financial Market Supervisory Authority confirmed last week that it was looking into the plans. In a bid to ensure Libra does not go the

chaotic way of crypto units such as bitcoin, it is to backed by a basket of real-world currencies including the dollar and euro. To mint and store new coins, access to its

underlying "blockchain" technology will be more restrictive than for the free-for-all of bitcoin. Bitcoin itself has got a new lease of life on

the back of Facebook's announcement last week, with its value rising to above \$12,000 on Wednesday. But much about Libra remains to be

resolved to regulators' satisfaction, such as the potential for abuse by bad actors, the exchange rate risk for cross-border transactions, and the unit's liquidity in times of financial crisis. "The ambition of the project is huge, but it can only exist by respecting the rules that are

Franois Villeroy de Galhu told this week's edition of news magazine L'Obs. In Britain, Financial Conduct Authority chief Andrew Bailey said Tuesday that his agency was working with the Treasury and the Bank of England on Libra, which he said "has the

in place for everyone," Bank of France governor

potential to be extremely significant". "We will have to engage both domestically and internationally, with both Facebook and this other organisation (the Libra consortium), he told the Treasury select committee in the House of Commons.

"They are not going to walk through authorisation without that," Bailey cautioned.

#### Mindshare, a popular digital campaigner with affiliation with different social media platforms, said they are not sure how the process would work. "We have contacts with different social media platforms. They are observing the situations and what the NBR is going to do," said Ehsanul Hoque, assistant director of However, the Association of Television Channel Owners (ATCO) said this is a very minor move and the government needs to be tougher on the companies that are running their campaigns on foreign television channels.

"Companies are doing crime in the name of broadcasting their advertisements and that needs to stop," said Arif Hasan, vice-president of ATCO.

The government needs to impose 200 percent tax; 15 percent is very minor, said Hasan, also the deputy managing director of Desh TV.

However, the NBR said the move will create a level playing field between the local television channels and the foreign ones. Currently, local channels have to deposit VAT but the foreign ones do not have to although a number of

audience, said an official of the NBR. The NBR directive comes following pleas from ATCO to collect tax from the foreign television channels properly.

advertisements broadcasted on the channels for the local

Newspaper owners earlier on several occasions demanded the revenue authority bring the global social media platforms such as Facebook and YouTube under the tax net as they eat up half the advertisement revenue share of the print media.

Users may face higher subscription fees for satellite channels owing to compliance by the foreign television operators with the VAT law, the NBR official said.

Despite uncertainty about the upcoming

It also spent Tk 2 crore to insure its drivers who bought motorcycles from TVS.

Contacted, Sayeda Nabila Mahabub, head of the largest on-demand platform in Bangladesh.

"Our new comprehensive strategy towards moving Bangladesh will strengthen the core businesses with an increased focus on efficiency. Accordingly, we have introduced changes across all major business lines, leading to significant organisational restructuring and cost optimisations."

Pathao is preparing for a future where its

# Heading in to the G20 summit, Facebook is

The Libra coin is endorsed by a heavyweight

But Federal Reserve chairman Jerome

Europe and from US lawmakers. "We're looking at it very carefully," Powell

Facebook promises the new currency,

But for regulators, Libra is potentially a loose

Randal Quarles, chairman of the international

"Though crypto-assets do not currently pose

## Mobile users feeling the budget pinch

"The only challenge is the tax policy and regulation," he added. The budget goes against the foreign investment protection act, said TIM Nurul Kabir, the former secretary general of the Association of Mobile Telecom Operators of Bangladesh.



এবি ব্যাংক লিমিটেড

Muhammad A (Rumee) Ali, chairman of AB Bank, presides over the bank's 37th annual general meeting at Senamalancha in Dhaka yesterday. Tarique Afzal, president and managing director, was present.