

এসআইবিএল সুপার ডিপিএ বিশেষ সঞ্চয় কিম

প্রাক্কলিত মুদাফা:

৩ বছর	৫ বছর	১০ বছর
৯.২৫%	৯.৫০%	১০%

ইসলামী শরীআহ এর মূদাফা নিষ্ঠিত ভিত্তিতে পরিচালিত।

SIBL Social Islami Bank Limited

Star BUSINESS

DHAKA FRIDAY JULY 12, 2019, ASHAR 28, 1426 BS • starbusiness@thedailystar.net

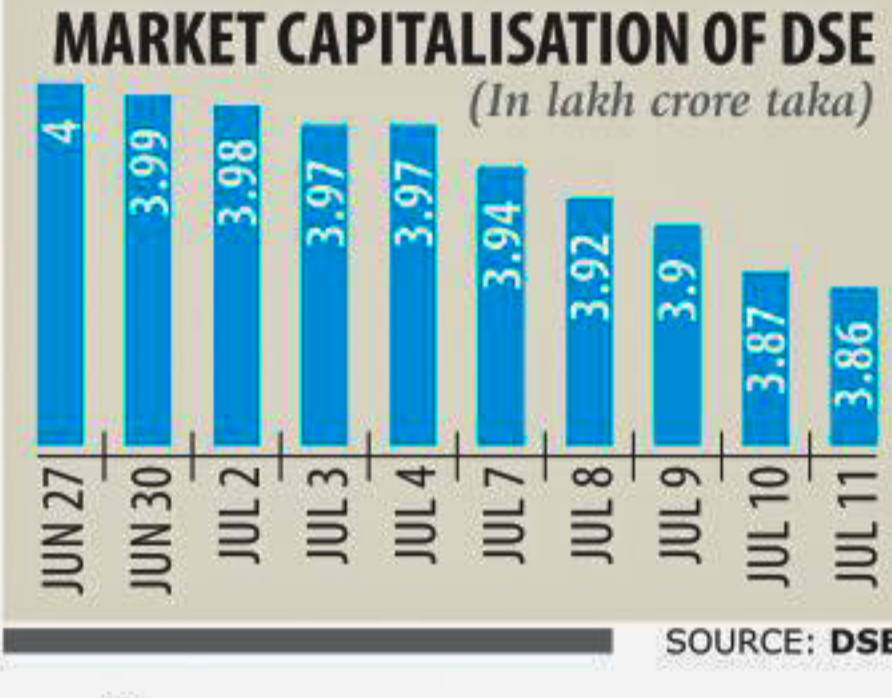
Stock investors lost Tk 13,201 cr in 12 days

AHSAN HABIB

Stock investors are still reeling from Finance Minister AHM Mustafa Kamal's maiden budget 12 days on, with the Dhaka Stock Exchange losing Tk 13,201 crore since fiscal 2019-20's budget was passed in the parliament.

In the budget for fiscal 2019-20, a 10 percent tax has been prescribed for companies that give out stock dividend and holds on to more than 70 percent of their earnings in a year -- moves that deter capital formation, according to analysts.

Subsequently, DSEX, the benchmark index of the DSE, fell on each day save for



one since.

At the close of trade yesterday DSEX stood at 5,222.30 points, down 199 points June 30, when the budget was passed in the parliament.

"Stock investors are not happy with the measures as listed companies are being burdened with more tax," said Abu Ahmed, a capital market analyst and a former chairman of the Dhaka University's economics department.

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Climate-smart growth key to achieving upper-middle income status

World Bank CEO says

STAR BUSINESS REPORT

The World Bank reaffirmed its continued support to Bangladesh to achieve the country's vision of reaching an upper-middle income status through ensuring green growth, as the bank's Chief Executive Officer Kristalina Georgieva concluded a two-day visit.

"The World Bank stands by Bangladesh in its journey to an upper-middle income status," she said in a statement yesterday.

As a co-chair of the third executive meeting of the Global Commission on Adaptation that took place in Dhaka on July 10, Georgieva commended Bangladesh for its leading role in adaptation and disaster preparedness, despite being among the countries most vulnerable to climate change.

"The world can learn from Bangladesh's adaptation and strong disaster-coping mechanisms. Their approach is working when we compare recent and past natural disasters: Cyclone Bhola in 1970 killed half a million people while last May Cyclone Fani, of similar strength caused less than 10," Georgieva said.

"But climate change will make the threat of natural disasters more frequent and intense. The World Bank remains committed to help Bangladesh improve resilience and ensure climate-smart growth."



Prime Minister Sheikh Hasina talks to World Bank CEO Kristalina Georgieva during a meeting at InterContinental Dhaka hotel on Wednesday.

Nagad sets sights on mobile top-up business

MUHAMMAD ZAHIDUL ISLAM

Bangladesh Post Office's mobile financial service Nagad is seeking to take over the mobile phone top-up business in the country, which last year saw credit recharges of around Tk 26,000 crore.

The Posts and Telecommunications Division has asked all four mobile phone operators through the Bangladesh Telecommunication Regulatory Commission (BTRC) to provide at least five "master SIM cards" each so that it could run the business using its 32,000 agent points.

"Master SIM cards" help mobile operators connect with their distributors, who provide

credits to agents, who in turn supply it to retailers. Terming it a "very sensitive" issue, the mobile operators declined giving an official comment. The apprehension is that Nagad's move could hamper their business and give over substantial control to a government entity.

The operators said usually they share 3.75 percent of the recharge amount with the distributors as commission and Nagad is eyeing that.

In 2018, the combined top-up amount of the four operators was Tk 25,443 crore. That means around 450 distributors they have in total received some Tk 950 crore as commission.

The operators already informed the BTRC about their unwillingness to join this move but the government is very keen to give business to Nagad, said officials related with the process.

A letter signed by SM Farhad, secretary general of the Association of Mobile Telecom Operators of Bangladesh, was provided to the BTRC.

It reads, "We would like to mention, since this issue is commercial in nature, respective MNOs will discuss this issue bilaterally with BPO [Bangladesh Post Office] as per their internal policy and procedure. But we will not give over the control of our business to others."

Govt formulates strategy to raise revenue collection

REJAUUL KARIM BYRON and REFAYET ULLAH MIRDHA

The government has devised a strategy to ramp up revenue collection by Tk 60,000 crore in the new fiscal year in order to help the National Board of Revenue (NBR) reach its tax mobilisation goal.

If the new plan is implemented, the targeted revenue can be generated from various sectors in the new fiscal year that began on July 1.

A senior official of the finance ministry said the government formulated the strategy to collect additional revenue as the tax administration has failed to reach the target in recent years.

The tax authority collected Tk 191,958 crore in the first 11 months of the just-concluded fiscal year against a revised goal of Tk 280,000 crore.

The NBR had to collect Tk 88,105 crore in June if it wanted to hit the target, an uphill task for the administration as it could not mobilise even half of the amount in May, according to the finance ministry official.

So, there might be a big shortfall in revenue collection in the final calculation at the end of the year.

The revenue collection target for fiscal 2019-20 has been fixed at Tk 325,600 crore, which means the NBR will have to mobilise Tk 100,000 crore more than the actual collection a year ago.

If the new plan can be implemented properly, it is expected that the annual revenue collection target can be achieved, the finance ministry official said.

The NBR expects to generate an additional Tk 30,000 crore through the implementation of the new VAT law, which came into effect on July 1.

KEY POINTS

- Strategy taken to collect additional Tk 60,000cr revenue in 2019-20
- Of it, the new VAT law to add Tk 30,000cr and hiked tax on cigarette sales Tk 10,000cr
- A joint working group will implement the law
- Bonded warehouse would be automated
- In first 11 months of 2018-19, collection hit Tk 191,958cr while target was Tk 280,000cr
- Collection target for 2019-20 is Tk 325,600cr

A new joint working group will be formed with representation from both public and private sectors and additional workforce will be deployed to implement the law, the official said.

The government expects an additional Tk 10,000 crore from the increased tax that was slapped on the sales of cigarettes.

The government also has taken an initiative to automate the bonded warehouse facility so that businesspeople can't misuse it to dodge taxes.

Every year, the government loses Tk 60,000 crore owing to the misuse of the bonded warehouse facility.

Dutch Queen Máxima speaks during her visit to the Bangladesh Bank's head office in Dhaka yesterday. The queen met with the central bank governor and discussed various issues, including access to finance and importance of women's access to digital financial services.



VAT refund made easy for businesses

STAR BUSINESS REPORT

In a relief, businesses are likely to easily get refunds of the excess value-added tax (VAT) they pay this fiscal year, according to a notice from the National Board of Revenue (NBR).

The revenue authority yesterday asked VAT offices in the field to grant refund to firms by debiting the amount using the same code under which they credited the collected VAT to state exchequer.

As a result, VAT offices will be able to reimburse the excess VAT paid without any complexity, said officials.

"Businesses will not have to take the hassle of going from one desk to another to get their due refund," said an official of the NBR.

The directive comes amid concerns among entrepreneurs about getting refund of the excess amount of VAT paid after the government slapped 5 percent advance tax (AT) on import of goods other than capital machinery and spare parts.

The NBR said the AT imposed under the VAT law 2012 that became effective from this fiscal year is adjustable and the excess amount is refundable after adjustment.

Businesses were however sceptical in the light of their experiences related to availing

refund from VAT offices.

Getting VAT refund was cumbersome and lengthy under the VAT law 1991. As a result, entrepreneurs had to wait for months.

The 1991 VAT law, which expired last fiscal year, had provision for claiming VAT refunds within six months.

There was no clarity about the settlement period of the claims, said a senior official of VAT Commissionerate Dhaka West.

Under the new VAT law, rules have been framed to settle refund claims within three months of application by businesses.

"If not settled within the stipulated period, refund claims by businesses would be accepted as per rules. So, the refund process would be easy and quick now. And the latest notice will be instrumental in this regard," he added.

VAT refund was not possible due to limitation in the VAT Act, 1991 and VAT Rules, 1991, said Snehasish Barua, partner of chartered accountancy firm Snehasish Mahmud and Co.

The NBR proposed formation of a fund for VAT refund in the Finance Bill last month.

Apparel maker dodges Tk 57 lakh tax

MOHAMMAD SUMAN, Ctg

An apparel company has evaded Tk 57 lakh tax in allegedly connivance with customs officials in Chattogram by producing forged bank statements while getting its cargo released from the port, customs found.

Wasif Knit Composite Ltd paid only Tk 2,906, which is about 0.05 percent of what it was supposed to pay in duty and got away with the cargo.

As per customs documents, the company imported 24 tonnes of polyester fabric, which is duty-free, from China at the beginning of last year.

Being tipped off about some anomalies, customs officials took preparations to examine the cargo. As the importer did not appear within a deadline during a probe, the cargo became legally auctionable.

In August last year, the authorities examined the cargo and found 27 tonnes of curtain and chenille fabrics that are not duty-free. According to customs documents, Wasif Knit Composite submitted an application to take the goods after paying some demurrages in September last year.

Surprisingly, the auction officials ignored the taxable goods and issued in November a no-objection certificate for the release of the cargo.

By the end of last year, the importer received the goods after paying Tk 2,906 in tax and an additional Tk 2.16 lakh in demurrages. According to customs documents, Oxford Shipping Ltd was the clearing and forwarding agency that received the consignment on behalf of the importer.

Grow Your Business Value With Truvalu

We are: Truvalu enterprises Ltd. is a Dutch agro value chain development company focusing on building inclusive agro small medium enterprises through investment and consultancy.

We are looking for:

- SMEs belonging to agricultural value chains including poultry, dairy processing, food processing, horticulture, jute and allied products, agro tech, aquaculture etc.
- Should be a profitable SME with at least 2-3 years operational history.
- Net Profit Margin of 10% and above.
- Has a clear requirement for investment for business expansion and value addition (land, building, machinery and partial working capital).
- Has direct/indirect relationship with at least 100 smallholder farmers in the value chain and aims to create job opportunities.

Our Proposition:

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- Qualified SMEs will be offered equity investment worth EUR 50,000-250,000 for a period of 6-8 years where Truvalu will take 20%-49% ownership in the business.
- Possibilities of developing trade relationship in the European market through Truvalu.trade.
- Selected promising entrepreneurs will be invited for a workshop with the local representatives who will arrange primary investment readiness services.

Please fill up information in the downloadable form in our website: <https://truvalu-group.com/application/> and email the same at info.bd@truvalu-group.com by August 12, 2019.