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Bangladesh's exposure to illicit financial flow very high: Unctad

STAR BUSINESS REPORT

Bangladesh lost a significant amount of tax owing to illicit outflow of funds that accounted for 36 percent of its total tax in 2015, said this year's Least Developed Countries (LDC) Report released yesterday.

Bangladesh's exposure to illicit financial flow is very high, said the report prepared by the United Nations Conference on Trade and Development (Unctad).

"Our tax collection would have increased and we could have used the tax for development works if we could stop this illegal outflow," said Towfiqul Islam Khan, senior research fellow of the Centre for Policy Dialogue, while presenting the report at the Economic Reporters' Forum in Dhaka.

The report said the ratio of illicit financial flows from Bangladesh was equal to the average for LDCs.



Centre for Policy Dialogue's Executive Director Fahmida Khatun addresses the launch of this year's Least Developed Countries Report prepared by the United Nations Conference on Trade and Development, at the Economic Reporters' Forum in Dhaka yesterday.



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In fiscal 2014-15, the tax authority collected Tk 135,700 crore and the Unctad's estimate showed that Tk 48,852 crore was sent out of the country illegally through various channels including trade.

Of the illicit outflow of funds, 80 percent is done through imports and exports, said Debapriya Bhattacharya, distinguished fellow of the CPD.

Bangladesh is one of the fastest growing economies within the LDC group and is expected to graduate from the group within 2024, said the report.

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US pest control firm Orkin enters Bangladesh

STAR BUSINESS REPORT

Rollins Inc, a global services company, has said its wholly-owned subsidiary Orkin has expanded its presence in Asia with the addition of a new franchisee in Bangladesh.

The new Bangladesh franchisee, Acorp Limited, will offer commercial and residential pest control and termite services.

"We are excited to expand our presence in the Asia-Pacific region and believe that Bangladesh provides a great opportunity for us, as we continue to grow our Orkin brand internationally," Tom Luczynski, Orkin president of global development and international franchising, said in a statement recently.

Bangladesh will join Orkin franchisees in India, Pakistan, Mongolia, Indonesia, Cambodia, South Korea, China (including Hong Kong and Macau) and Guam already established in the region.

The Orkin brand is now represented in more than 60 countries through a network of over 90 global franchises.

Transport strike disrupts exports



Trucks stay parked at the Nimtoli terminal in Chattogram yesterday following an indefinite work stoppage announced by owners and workers on Tuesday protesting the enforcement of the Road Transport Act 2018.

REFAYET ULLAH MIRDHA

A German garment buyer stayed at the Narayanganj club over the last two days for visits to MB Knit Fashion Ltd.

After completion of his visit to the factory at Fatullah in Narayanganj, the buyer was supposed to come to Dhaka by a private car yesterday. He started for Dhaka from Narayanganj at 9 in the morning.

However, the buyer's private car was stopped at the Signboard area in Narayanganj by transport workers observing a countrywide strike, said Mohammad Hatem, managing director of MB Knit Fashion Ltd.

Later, he was taken on an alternative route but again was stopped at Sanarpur area by the transport workers.

Finally members of industrial police came forward to assist him in reaching a hotel in Gulshan in Dhaka.

Similarly, Khaledur Rahman, an owner of a garment buying house at Mirpur, was supposed to go to Narayanganj to place work orders at a factory.

But he turned back at the Shanir Akhra area witnessing vandalism of some vehicles by the protesters.

Now he is trying to manage his European buyer who has been asking for a quick shipment of goods.

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Tax fair brings NBR Tk 2,613cr

STAR BUSINESS REPORT

The weeklong tax fair ended yesterday amid huge participation of taxpayers, enabling the National Board of Revenue (NBR) to log in a record Tk 2,613 crore in taxes.

The receipt was 6 percent higher than a year earlier, said the NBR in a press release.

Taxpayers from different professions filed 6.55 lakh returns at the fair, up 34 percent from the previous year.

The NBR said 18.63 lakh people received tax related assistance from taxmen from the show that started in all divisional cities on November 14.

This was the tenth edition of the fair, which the tax authority has been organising since 2010 to raise awareness and motivate more people to start paying taxes regularly in a country where the tax-to-GDP ratio is 9.2 percent, one of the lowest globally.

Since its inception, the tax fair has gained popularity as it gives an opportunity to people to submit income tax returns without hassle.

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Digitalisation key to financial inclusion: experts

STAR BUSINESS REPORT

Digitalisation in the financial sector is necessary to bring unbanked people under the banking system and ensure financial inclusion, bankers and policymakers said yesterday.

"We have to bring our unbanked people to the banking system in order to materialise our dream of a developed nation," said Md Ashadul Islam, senior secretary of financial institutions division of the finance ministry.

To do so, digitalisation of the financial sector is important.

"The government is also emphasising on it," he said, adding that at least 70 percent of Bangladesh's population is still unbanked.

Islam's comments came in the Mastercard Payment Summit, organised to mark the 28th anniversary of the global payment solutions

provider's presence in Bangladesh.

At the event Mastercard awarded Premier, Prime, United Commercial, National, Eastern, Southeast, Mutual Trust, Brac, City, Dutch-Bangla, Al-Arafah and Dhaka Bank; LankaBangla Finance; Standard Chartered; Bank Asia; bKash; Software Shop; and the Bangladesh Association of Software and Information Services in many categories.

Standard Chartered, Eastern Bank, Mutual Trust Bank and City got awards in two categories.

It is important to ensure the marginal people get access to financial services, Islam said.

The present government is committed to bringing digitalisation and innovation in every sector, including ICT, financial and payment industry, as a part of its endeavour to build a 'Digital Bangladesh'.

Cybersecurity will also have to be ensured in the digitalisation process, he added.

Digitalisation is a priority of the government, said Ahmed Jamal, deputy governor of the Bangladesh Bank.

"Rapid information and technology bring some challenges and opportunities. We have to find the opportunities and give good services to customers."

The central bank is giving the highest priority on safety as well as easy technology for promoting digital payment system, he added.

Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, said they are not only the right payment solutions provider to banks but a technology company too that would promote financial inclusion.

"We are working for digitalising government's subsidy to farmers too," he added.

Syed Mahbubur Rahman, president of the Association of Bankers, Bangladesh, also spoke at the event.

BB clears up confusion over remittance incentive

STAR BUSINESS REPORT

Remittance receivers will not need to provide documents to collect cash incentive against inflows of the euro, the pound sterling and other currencies along with US dollars equivalent to \$1,500, or Tk 150,000, the central bank said yesterday.

In June, the government introduced 2 percent cash subsidy for remitters to encourage them to send money home through legal channels.

In August, a central bank notice said expatriates would receive the incentive directly to their accounts without any verification for amounts of up to \$1,500. The recipients, however, have to submit a copy of their identification card.

In case of remittance of more than \$1,500, sources of income and other documents will have to be presented to avoid the misuse of the cash incentive.

The initial central bank circular did not mention any other currencies other than the US dollar, creating a confusion among remitters and recipients.

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Stocks sink below 4,700 points

STAR BUSINESS REPORT

Continued slide in stocks brought the index of the Dhaka Stock Exchange (DSE) below the 4,700-point mark yesterday.

Stakeholders think massive sell-offs by institutional investors have caused the fall.

Yesterday, the DSEX, the benchmark index of the DSE, plummeted by 30.43 points, or 0.64 percent, to 4,691.93.

Market analysts said most of the stock investors were pessimistic about the market so they refrained from investing money.

Moreover, some institutional investors were selling stocks that fuelled the market slide.

UCB Capital Management said in its daily analysis that the current market sentiment remains bearish as investors became very cautious while choosing scrips.

A top merchant banker said stock investors' confidence remained low due to the continuous fall of the index.

Moreover, some companies disclosed their financial reports of the first quarter of the current fiscal year, where their earnings declined.

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Md Ashadul Islam, senior secretary to the Financial Institutions Division; Ahmed Jamal, deputy governor of Bangladesh Bank; JoAnne Wagner, chargé d'affaires at the US embassy in Bangladesh, and Syed Mohammad Kamal, country manager of Mastercard Bangladesh, attend "Mastercard Payments Summit 2019" at InterContinental Dhaka on Tuesday to celebrate the 28th anniversary of the payments company in Bangladesh.

Tradable treasury bonds very soon: BSEC

STAR BUSINESS REPORT

Listed treasury bonds will be traded in stock exchanges soon, said the stock market regulator yesterday.

M Khairul Hossain, chairman of the Bangladesh Securities and Exchange Commission (BSEC), said they have already started working on the issue.

Hossain's comments came at a seminar on "Introducing green bond in Bangladesh" at the BSEC office.

At present, there are 221 treasury bonds listed with Dhaka Stock Exchange (DSE). But none are traded in the secondary market.

Hossain said one BSEC commissioner sat with the DSE top brass to take steps on trading these bonds.

He said Bangladesh's stock market was

only based on equity and financial literacy of stock investors were not up to mark for which they lost money.

"But they blame the commission for their losses."

The BSEC chairman said they have already traced many problems behind the lackluster situation of the bond market and accordingly, informed the government.

The government has also taken some steps to bring ease to the bond market including reducing stamp duty to just 0.10 percent from 2 percent, he added.

Hossain said they would form a guideline on green bonds for its promotion in the country.

Md Ashadul Islam, senior secretary to Financial Institutions Division, was present.

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