STOCKS		COMMODITIES		ASIAN MARKETS			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
0.40%	0.49%	$1,912.20	$45.74	0.12%	1.35%	0.8%	0.36%
4,781.57	8,249.68	(per ounce)	(per barrel)	38,843.88	23,296.77	2,559.03	3,373.58

CURRENCIES — STANDARD CHARTERED BANK

	USD	EUR	GBP	CNY
BUY TK	83.95	98.11	109.11	11.94
SELL TK	84.95	101.91	112.91	12.55

Star BUSINESS

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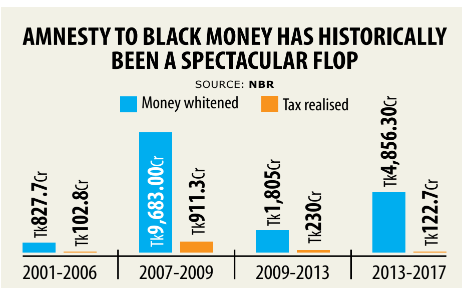
Tax cheats still uninterested in whitening wealth

SOHEL PARVEZ

The tax authority has yet to get a good response from the holders of undisclosed money despite offering amnesty that none will question the sources of income this fiscal year, said its chief yesterday.



"As far as I know, we are not getting that much response," said Abu Hena Md Rahmatul Muneem, chairman of the National Board of Revenue (NBR), at the launch of the Electronic Fiscal Device (EFD).

The revelation comes nearly two months past the start of fiscal 2020-21 in July.

With its avenues for revenue collection squeezed for the drop in economic activities for the pandemic, the government has turned to tax cheats for boosting its coffer this fiscal year.

Until last fiscal year, black money-holders had been able to whiten their assets by investing in residential buildings by paying a tax of 10 per cent on the amount invested, which for regular taxpayers is between 10 and 30 per cent.

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Electronic fiscal devices are here -- finally

SOHEL PARVEZ

Electronic fiscal devices (EFDs), the much-talked-about e-cash registers promoted by the revenue authority as a tool to curb tax dodging, finally began to show up at retail stores in cities.

The National Board of Revenue (NBR) yesterday launched the devices to monitor sales at 24 types of retail and wholesale stores to overcome the challenge of collecting the actual amount of value-added tax from tens of thousands of goods and services stores.

"The use of EFDs will bring about a revolutionary change in VAT collection," said NBR Chairman Abu Hena Md Rahmatul Muneem at the inauguration of the EFDs at the NBR headquarters in Dhaka.

Paid by consumers, VAT is the biggest source of revenue and NBR said the number of small and medium retail stores is too high for them to monitor due to a shortage of manpower.

Most of the taxpayers in the category are noncompliant and various complaints are raised from this trade against revenue collectors, NBR said.

Against the backdrop, the EFDs that will be connected to a central server to monitor real-time transaction and store sales data of retails will be instrumental in collecting the actual amount of VAT and curbing evasion, it said.

This will eliminate harassment, reduce the cost of business and increase revenue collection, Muneem said.

The revenue collector said it installed 100 e-sales registers -- 80 in Dhaka and the rest in the port city Chattogram -- on a pilot basis. Later, the pace of installation will increase to bring more stores under the automated system.

NBR aims to install the EFDs at the stores that register more than Tk 50 lakh in turnover annually.

Businesses ranging from hospitality and sweetmeat stores to clothing, furniture and electronics outlets will get the devices free of cost.

By September, 1,000 EFDs will be installed and a total of 100,000 by June next year, said Iqbal Hasan Ferdous, general manager of Synesis IT, a member of the consortium of Shenzhen-based SZZT-KMMT-Synesis-EATL JV that won the contract to supply the devices at Tk 316 crore to the NBR last fiscal year.

NBR had decided to set up the EFDs and sales data controllers three years ago after its previous bid to enforce the use of electronic cash registers failed mainly because of the absence of any electronic server to monitor transactions at shops.

There was no scope to capture real-time transactions and there was no tool for auto-monitoring, NBR said.

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Expenses tightened for ministers, civil servants

REJAUL KARIM BYRON

Cabinet ministers cannot spend more than $700 in entertainment purposes and $250 for other expenses during their official trips abroad as the government has moved to consolidate its expenditures under development and revenue budgets.

If the expenses go up beyond the limit, the cabinet ministers would have to get it approved by the finance ministry.

It came as the finance ministry delegated financial powers in an order to ministries, divisions, departments, programme directors and coordinators as part of its move to properly implement programmes under the single budget.

The government has rolled out a process to execute various programmes under a single budget system to strengthen coordination in budget formulation processes and avoid duplication.

Currently, there is a difference in the delegated powers against various expenditure items under development and revenue budgets.

But as all expenses related to the implementation of various schemes under the single budget are consolidated, it is difficult to implement the programmes by using the existing delegated financial powers, the order said.

NEW ALLOWANCES ON FOREIGN TRIPS

- $700 for entertainment purposes and $250 for other expenses for cabinet ministers
- State and deputy ministers will get $600 for entertainment purposes and $200 for other expenses
- Cabinet secretary, chief secretary, senior secretary, secretary and armed forces' officers will get $500 for entertainment purposes and $100 for other expenses

As a result, a new order delegating financial power is needed to implement the schemes under the single budget, the order said.

Under the single budget, ministries, divisions and departments run various regular, development and reform-oriented schemes for a specific period.

The new order said state and deputy ministers can spend $600 for entertainment purposes and $200 for other expenses during their official foreign tours, while the cabinet secretary, chief secretary, senior secretary, secretary and armed forces' officers with equivalent positions would be allowed to expend $500 for entertainment and $100 for other expenses.

During a programme, Tk 40 per person can be allocated in snacks bill. For lunch or dinner, it can be Tk 500 per person.

During training, workshops or seminars, Tk 300 per person can be allocated for lunch/dinner bills at the upazila level, Tk 400 at the district level and Tk 450 at the divisional level.

If the programme is for half-a-day, Tk 40 can be spent for an attendee and snacks can be offered twice if a programme runs for a whole day.

If any government agency awards more than Tk 10,000 to an employee for laborious work or extraordinary performance or twice a year, it has to take permission from the finance division.

The order said advance bills cannot be approved if 85 per cent of the previous advances are not adjusted. The advance has to be adjusted within two months of completion of a task or before 30 June.

No items can be procured in phases just to keep the purchase within the ceiling allowed.

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Junk stocks outshining the rest of late. And possibly for good reason

AHSAN HABIB

It seems the junk stock are walking all over the market in the last few days: the index was going whichever direction they were heading.

Take the case of yesterday, when DSEX, the benchmark index of Dhaka Stock Exchange, rose after two days and only three companies on the list of top 10 gainers was from the A category, with the rest hailing from either the Z or N category.

Express Insurance, a newly listed company known on the bourses as N category stock, topped the list rising by a whopping 50 per cent to Tk 22.

On the other hand, Jute Spinners, one of the junk stocks termed as Z category shares, soared 10 per cent. The companies that fail to declare dividends, hold an annual general meeting or keep their factories up and running fall in the Z category, while the A category is almost the opposite.

"Whatever direction the index moves, we have been witnessing for the last few days that the junk stocks make their way towards the top gainers' list," said a senior official of a merchant bank, asking not to be named.

The junk shares have been on an upward curve since the stock market regulator took some initiatives to bring reforms to these companies, he added.

The regulator dictated that the companies that have been in the Z category for the last two years would have to reconstitute their existing board of directors.

If they fail to do so, the sponsors and directors will not be able to remain in the board of these companies or any other listed firms, according to a decision of the Bangladesh Securities and Exchange Commission. The regulator will appoint special auditors and observers to ensure compliance and good governance in the companies.

BSEC also decided that the time for trading settlements for the companies in the Z category would be reduced to four days instead of 10.

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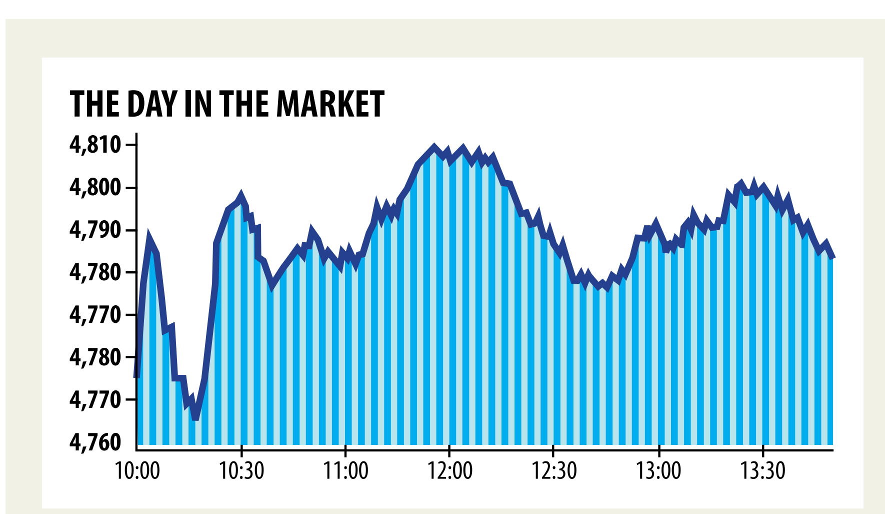
THE TOP GAINERS' LIST YESTERDAY

COMPANY	GAINS	CATEGORY
Express Insurance	50%	N
Jute Spinners	10%	Z
Miracle Industries	9.70%	B
Dulamia Cotton	9.60%	Z
Meghna Milk	9.40%	Z
BD Finance	9.30%	A
National Housing	8.80%	A
SEMLC Mutual Fund	8.70%	A
Megna Pet	8.40%	Z
Imam Button	8.30%	Z



Tilting vessel now stable but denied departure

DWAIPAYAN BARUA, *from Chattogram*

A container ship that was listing to its starboard side while anchored at Chattogram port on Sunday returned to equilibrium the following day but is yet to be cleared for departure, making exporters anxious about their cargo.

The ship, OEL Hind, had listed due to an uneven distribution of cargo, said Muntasir Rubayat, head of operations for the vessel's local agent GBX Logistics.

Subsequently, the OEL Hind was brought back to a stable position by removing a total of 33 containers located at the top row.

But the Chattogram Port Authority (CPA) is yet to allow the vessel to leave, leaving the Bangladeshi exporters in a state of anxiety over whether their shipments on board the OEL Hind will reach their destinations on time.

The ship was scheduled to vacate jetty number 11 at the port on Sunday afternoon but was restricted from departure when it was found to be titled to its right that very morning.

READ MORE ON B2

Reconditioned car imports to be phased out as govt looks to ramp up local assembly

JAGARAN CHAKMA

The government plans to phase out the import of reconditioned cars over the next five years in a bid to encourage investments in the assembly and manufacture of motor vehicles within Bangladesh.

In this regard, the government will formulate the 2020 Automobile Industry Development Policy, a draft of which has already been shared with various stakeholders for finalisation.

Currently, state-run Pragati Industries assembles cars designed by Japanese automaker Mitsubishi Motors while PHP Motors, a sister concern of the PHP Family based in Chattogram, manufactures cars made by Malaysia's PROTON Holdings Berhad.

Besides, Indian automotive giants Tata Motors and Mahindra & Mahindra recently showed interest in setting up similar partnerships with local manufacturers to grab a bigger slice of the growing Bangladesh automobile pie.

At present, about 63 vehicles are sold each day. In 2012, when the market had just started taking off, the daily figure was 29, according to the Bangladesh Reconditioned Vehicles Importers and Dealers Association (Barvida).

In 2019, car sales amounted to Tk 5,000 crore, which was more or less the same as in the previous year.

Bangladesh's thriving automobile sector has grown 8 per cent on average every year since 2012, said various industry insiders.

As per the draft policy, the country's automobile industry has been considered as a potentially major industrial sector for the last two decades as it has registered impressive annual compound growth and contributes greatly to the national economy.

The sector is nearing critical mass thanks to its ability to adopt new technologies and increased efficiency in human resource management.

Bangladesh's automobile industry could even become a part of the global supply chain in the future, the draft policy said.

The growing demand for cars, motorcycles and such is a result of the rise in purchasing power among the general public, it added.

The policy aims to provide a clear roadmap on how to take the country's evolving automotive ecosystem further by implementing specific changes to the regulations that govern the design, technology, testing, manufacture, import and export, sale, use, repair and recycling of motor vehicles, their components and services.

It will also eventually impose a total ban on the import of completely built-up units of used vehicles. This initiative will diversity the domestic automobile market as locally assembled cars are more affordable than their imported counterparts.

In turn, it will attract both local and foreign investment, leading to enormous socio-economic benefits, the draft said.

To this end, the maximum age limit on imported passenger vehicles will gradually be reduced over the next five years.

During this period, however, the government will still permit inbound shipments of reconditioned cars.

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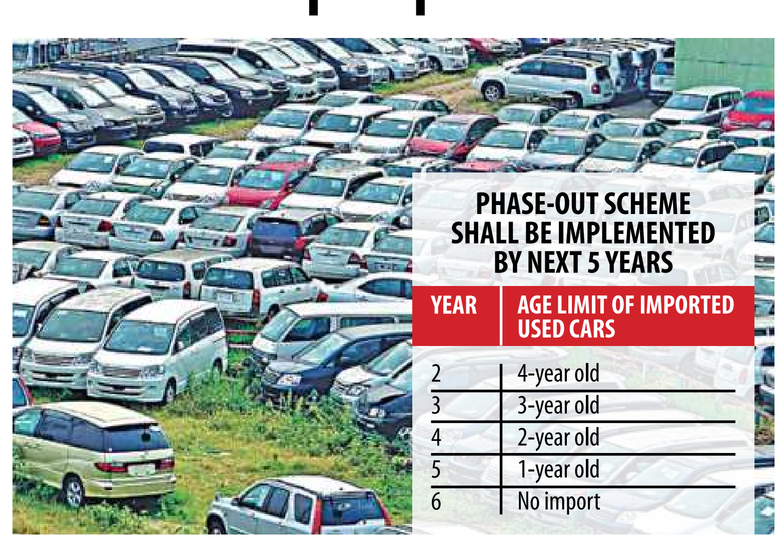

PHASE-OUT SCHEME SHALL BE IMPLEMENTED BY NEXT 5 YEARS

YEAR	AGE LIMIT OF IMPORTED USED CARS
2	4-year old
3	3-year old
4	2-year old
5	1-year old
6	No import