

Online system to be launched today to weed out fake audited accounts

NBR, ICAB team up for the initiative

STAR BUSINESS REPORT

If you enquire at the apex body of the chartered accountants about the companies and firms its members audit and sign annually, you will get to know the number is about 16,000.

But if you check with the National Board of Revenue (NBR), you will come to know that roughly 35,000 firms furnish their income tax and audited statements yearly as part of tax compliance.

The gap clearly shows that there is something very fishy: a group of people have been involved in preparing fake audited financial statements and are submitting them to evade paying actual amount of tax.

"We are going to stop this. This affects our good will," said Mohammed Forkan Uddin, vice-president of the Institute of Chartered Accountants of Bangladesh (ICAB).

He said the ICAB has developed a Document Verification System (DVS) to stop the preparation of fake and multiple financial statements by unruly firms.

The ICAB and the NBR are expected to sign an understanding agreement today to launch the DVS in order to prevent the practice of submission of fake audited financial statements.

The ICAB said financial documents endorsed by third person to mislead the regulating authorities and stakeholders will not be possible after the launch of the DVS, which will allow taxmen to check authenticity of financial statement submitted by



firms along with their income tax returns.

"This will help the government get an increased amount of revenue," said Uddin, adding that the online audited accounts verification systems will also enable the government to know the actual number of companies operational in the country.

Bangladesh has more than 180,000 officially registered companies.

Uddin, also the convener of the ICAB Taskforce on DVS, said the online-based audited accounts verification system will help the Registrar of Joint Stock Companies and Firms get more revenue.

Under the online system, ICAB's practicing members will give five key financial data such as profit, turnover, asset and liability of a company, generate an 18-digit document verification code (DVC),

write the DVC in the audited financial statements and sign the report.

The financial documents submitted to the revenue authority, banks and non-bank financial institutions could be verified through the search option on the DVS Portal by sharing a few information such as the name of person, organisation, the purpose of verification, unique code of documents, mobile number and email address, said the ICAB.

Uddin said partners of chartered accounting firms will have to start generating the DVC and sign the audited financial statements from December 1.

"We want to sign an agreement with the Bangladesh Bank too in order to ensure that actual audited financial statements are submitted by firms to apply for loans," he said.

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Investment to lead to large-scale job creation, curing fallouts

Say speakers at BIIS webinar

STAFF CORRESPONDENT, Ctg

Experts yesterday emphasised large-scale job creation with increased investment in the public and private sectors to overcome the Covid-19 fallouts on the economy.

They also stressed diversifying export markets while extending share in the existing destinations.

The suggestions came at a webinar titled "Impact of Covid-19 Pandemic on Bangladesh: Options for Building Resilience" organised by the Bangladesh Institute of International and Strategic Studies (BIIS).

Addressing as chief guest, Mashiur Rahman, economic affairs adviser to the prime minister, emphasised diversifying to increase export growth, enhancing domestic demand and production growth and expanding technical education.

Domestic investment needs to be enhanced for domestic production growth, he said.

He, however, believes that private sector investment would not see an increase anytime soon.

Terming the increase in remittance "good", he stressed on the need for expending it conservatively since the pandemic was not ending soon and uncertainties remained on sending more people to the global market.

Prof Mostafizur Rahman, a distinguished fellow of the Centre of Policy Dialogue (CPD), said the economy's capacity to absorb shocks was evident when the Covid-19 set in.

How the government reacted and

RECOMMENDATIONS

Social safety net strategy for those who are not below poverty line but their income has been highly compromised	Diversifying export goods as well as market destinations	Regaining confidence of foreign investors
Employment creation should be kept at the centre of recovery	Enhancing negotiation capacity in the context of foreign relation	Digitisation need to given priority to make the economy to be competitive
Proactive foreign trade policy is needed to promote bilateral free trade agreements	Covid vaccines need to be provided to the developing countries for free at the earliest	Re-skilling migrant workers for domestic and global market
Government and NGO should help small and medium entrepreneurs to get bank loans	Social safety net strategy should involve employment generation, skill formation and training plans	

tried to address the situation was also visible, he said.

Poverty reduction and employment creation elasticities of Bangladesh's growth had already been slowed down, he said, adding that large-scale employment creation can only be sustained through diversification, if more investments can be made.

Both public investment and stimulation of private sector investment are very important, said Prof Rahman.

In this time of crisis, economic policies have to be pursued which create employment through investment. With regard to resilience, the important factor was how government investment did stimulate and incentivise private sector investment, he said.

He mentioned that microfinance

played a very important role, particularly in stimulating SMEs which was very much an employment-intensive sector.

Prof Rahman said microfinance was also a very good way of offloading the delivery burden that the government has on non-state actors.

"We will have to diversify not only our exports but also our markets," said the economist.

"The 21st century will be Asian century and there will be demand. India imports \$480 billion and China imports \$2,200 billion and if we take even these two countries, we have a market of \$3,000 billion."

Currently the government is taking several initiatives with India and China as special economic zones are being set up, he said.

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DSEX falls despite a bright day for mutual funds

STAR BUSINESS REPORT

In a rare instance, all 37 listed mutual funds rose at the Dhaka Stock Exchange yesterday although the benchmark index of the premier bourse fell.

Phoenix Finance First Mutual Fund topped the gainers' list with a 10 per cent rise. The unit price of all mutual funds rose more than 5 per cent on the day.

SEML Lecture Mutual Fund, SEMI IBBL Shariah Fund, First Prime Finance Mutual Fund, CAPM BDBL Mutual Fund, CAPM IBBL Mutual Fund, Asian Tiger Sandhani Life Growth Fund, and NLI First Mutual Fund also made it to the gainers' list.

The DSEX dropped 15.94 points, or 0.32 per cent to end the day at 4,883.69.

Most of the mutual funds traded at a discount, so investors go after the sector, said a merchant banker.

When a mutual fund unit is sold at a price lower than its net asset value, then it is considered a discount.

"Our mutual fund sector lagged behind due to their low performance," said the merchant banker.

The present commission of the stock market regulator has announced that it will bring discipline to the sector, he said.

"This announcement fuelled the stock investors' confidence in the sector."

Recently, the chairman of the Bangladesh Securities and Exchange Commission asked investors to put money in the mutual funds.

"If the mutual fund sector runs properly, the sector will have a huge potential. So, we are investing in the sector," said Abdullah Koraishi, a stock investor.

"We hope the sector will provide good dividends in the coming years," he added.

Turnover, one of the important

indicators of the stock market, hit Tk 975 crore yesterday, up from Tk 925 crore on the previous trading day.

Beximco Pharmaceuticals was the most traded stock with shares worth Tk 112 crore changing hands, followed by Beximco Ltd, Trust Bank First Mutual Fund, Eastern Insurance and Brac Bank.

Of the total 353 companies traded, 79 advanced, 186 declined and 88 remained unchanged.

KEY POINTS

● BSEC approves CandleStone Rupali Bank Growth Fund

● Target of fund size is Tk 100cr

● Sponsors will invest Tk 15cr

● CandleStone Investments Partner is the asset manager

Bangladesh Shipping Corporation shed the most with a 9.93 per cent fall followed by Global Insurance, Bangladesh National Insurance, Agrani Insurance and Shyampur Sugar.

Yesterday, the stock market watchdog approved the draft prospectus of Candlestone Rupali Bank Growth Fund.

The fund size is Tk 100 crore and sponsors will invest Tk 15 crore. The face value of the fund is Tk 10.

Candlestone Investments Partners is the asset manager of the fund and the Investment Corporation of Bangladesh and Brac Bank will be its trustee and custodian respectively.

Daraz's Singles' Day bags record 1 lakh orders in first one hour

MAHMUDUL HASAN

Daraz registered a surge in sales during its Singles' Day shopping juggernaut as it received one lakh online orders worth Tk 25 crore in the first hour of the campaign.

The figures went past the revenues of last year's shopping extravaganza of the e-commerce platform when it sold Tk 8.5 crore worth of products within the first 45 minutes of the 24-hour shopping event.

"In the first 15 minutes of the campaign, the sales exceeded last year's figures in the first 45 minutes," a senior executive of the platform told The Daily Star.

"We witnessed 3.5 times growth compared to last year," he added.

As a part of the company's policy, Daraz does not disclose its full sales figures. More than 1 crore products from 33,000 sellers were up for customers.

The top-selling products during the campaign were Xiaomi Poco X3 NFC, Realme C12, a Sharp-branded auto washing machine, a Gree-branded air conditioner, a television model of Samsung and Walton laptop.

As the pandemic has cut peoples' income drastically, the discounted products are attracting cautious customers worldwide.

Daraz's parent company Alibaba Group said orders on its e-commerce platforms during the Singles' Day shopping extravaganza had exceeded \$56 billion by Wednesday morning, reports Reuters.

The world's biggest sales event spans four main days this year and has so far brought sellers 16



- KEY POINTS**
- » Daraz sold Tk 25cr products in the first hour of this year's Singles' Day
 - » Sales figure was Tk 8.5cr in the first 45 minutes of last year
 - » Expects to deliver over half a million products during the event
 - » The company has grown 100pc annually in the last four years
 - » It now makes 50,000 orders to 65 districts, up from 25,000 last year
 - » Alibaba acquired Daraz in 2018 and took part in the event that year

times as many orders by value than Amazon.com Inc's two-day global Prime Day last month.

The event, launched in 2009, is usually a splashy, single-day affair with live performances and clocked a gross merchandise value of \$38.4 billion last year.

Following Alibaba's vibe, this year's 11.11 single-day campaign by Daraz was inaugurated by Cricket All-rounder Shakib Al Hasan on November 10 for the third time

since 2018 when the Chinese giant bought Daraz.

Daraz was planning to make more than half a million deliveries, making it the biggest online single-day shopping festival in Bangladesh as sales rose 10 to 12 times that of normal day deliveries.

The company now receives 50,000 orders per day. It posted a fourfold growth in sales on November 11 in 2019 and hopes to repeat the similar trend this year as well.

"Bangladesh has more than 10 crore internet users but we have so far explored only just 10 per cent of the market. So, there is an enormous opportunity for the e-commerce platform to grow and expand," said Syed Mostahidul Hoq, managing director of Daraz Bangladesh, recently.

The company has grown 100 per cent annually in the last four years in terms of customer and order numbers.

Apple launches MacBook laptops powered by its own computing chips

REUTERS, San Francisco

Apple Inc on Tuesday introduced a MacBook Air notebook and other machines with its first central processor designed in-house for Macs, a move that will tie its computers and iPhones closer together technologically.

The new chip, called the M1, marks a shift away from Intel Corp technology that has driven the electronic brains of Mac computers for nearly 15 years.

It is a boon for Apple computers, which are overshadowed by the company's iPhone but still rack up tens of billions of dollars in sales per year. Apple hopes developers now will create families of apps that work on both its computers and phones.

The MacBook Air will start at \$999, the same as its predecessor, and have up to twice the battery life, Apple said. The M1 will also power the MacBook Pro notebook, which starts at \$1,299, and its \$699 Mac Mini computer, which comes without a monitor.

The new products will be available from next week, executives said. Shares of Apple were up about 0.2 per cent as the event ended.

Patrick Moorhead, founder of Moor Insights & Strategy, estimated Apple will save between \$150 and \$200 per chip in costs by using its own central processors. "We didn't see Apple add any expensive features," he said. "They're going with a much higher margin."

In June, Apple said it would begin outfitting

Macs with its own chips, building on its decade-long history of designing processors for its iPhones, iPads and Apple Watches.

Apple executives said on Tuesday that the M1 was intended to be efficient as well as fast, to improve battery life, and that Apple's newest version of its operating system was tuned to the processor.

"This announcement underscores how important high-performance, custom processor designs will be to leading the next generation of client computing," said Jon Carvill, vice president of Nuvia, a data center chip firm founded by former Apple executives. "We think a similar trend is playing out in the future of the data center as well."

China's ByteDance challenges Trump's TikTok divestiture order

REUTERS, New York/Washington

ByteDance, the Chinese parent company of video-sharing app TikTok, filed a petition late on Tuesday with a US Appeals Court challenging a Trump administration order set to take effect on Thursday requiring it to divest TikTok.

President Donald Trump in an Aug. 14 order directed ByteDance to divest the app within 90 days, which falls on Thursday. The Trump administration contends TikTok poses national security concerns as the personal data of US users could be obtained by China's government. TikTok, which has over 100 million US users, denies the allegations.

In the petition filed with the US Court

of Appeals for the District of Columbia, ByteDance said it is seeking a court review of the divestment order, claiming that the order and a finding by a US agency that TikTok represented a security threat were unlawful and violated rights under the US Constitution.

ByteDance, which has been in talks for a deal with Walmart Inc WMT.N and Oracle Corp to shift TikTok's US assets into a new entity, also said it is requesting a 30-day extension on the Aug. 14 divestment order, so that it can finalize terms of the deal.

"Facing continual new requests and no clarity on whether our proposed solutions would be accepted, we requested the 30-day extension that is expressly permitted in the August 14 order," TikTok said in a statement.