

STOCKS		COMMODITIES	ASIAN MARKETS				CURRENCIES	STANDARD CHARTERED BANK			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.05%	▲ 0.02%	\$1,865.40 (per ounce)	\$81.70 (per barrel)	▼ 0.52%	▼ 0.40%	▼ 0.19%	▲ 0.44%	BUY TK 84.85	94.77	114.11	13.05
7,060.77	12,410.77			60,008.33	29,688.33	3,232.68	3,537.37	SELL TK 85.85	98.57	117.91	13.72

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# star BUSINESS

DHAKA THURSDAY NOVEMBER 18, 2021, AGRAHAYAN 3, 1428 BS ● starbusiness@thedailystar.net

## OVEREXPOSURE IN STOCKS

### BB seeks explanation from Sonali Bank

AKM ZAMIR UDDIN

Bangladesh Bank has asked Sonali Bank to explain why the state lender should not face a penalty for its overexposure in the capital market.

In a letter issued on November 15, the central bank ordered the lender to provide an explanation by today.

The exposure stood at 26.6 per cent of its total capital, surpassing the regulatory limit of 25 per cent.

The exposure crossed the limit after Sonali Bank lent Tk 500 crore to the Investment Corporation of Bangladesh (ICB) on November 7.

Lending by a bank to a company or a stock dealer, which is directly or indirectly involved in the capital market, is considered as exposure of the lender in the capital market, as per central bank rules.

The loan also violated the single borrower exposure limit as per the Bank Company Act 1991.

The bank has given out Tk 1,500 crore in total to the ICB.

Sonali Bank is allowed to lend a maximum of 10 per cent of its capital to an entity or person as per the memorandum of understanding between the lender and Bangladesh Bank.

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### Rules take effect to streamline hiring of insurance agents

SUKANTA HALDER and MD ABU TALHA SARKAR

Bangladesh's insurance industry has taken a major leap forward after the government enacted a rule to streamline the hiring and licensing of agents, who are the driving force of a sector grappling with irregularities.

The financial institutions division of the finance ministry published the gazette of the Insurance Agent (recruitment, registration and licence) Regulations-2021 on November 14. It came into effect immediately.

In order to become an agent, an applicant has to be at least 18-year-old and have a minimum educational qualification of the Secondary School Certificate or equivalent examination. However, the provision will not be applicable to those who were licensed as agents before the publication of the gazette.

The agents have to have a proof of attending training for 72 hours, said the rule.

In order to receive the licence to work as an agent, the applicant must submit certificates to show that they have opened at least 11 new policies every year, earned a commission of Tk 20,000 against the collection of new premiums, and the tax at source on the commission has been deducted by the insurer.

In the case of a non-life insurance agent, the individual must submit certificates as a proof that they have raised a premium of at least Tk 1 lakh while working as a temporary agent, and the tax at source was deducted by the insurer.

The tenure of the licence issued by the authority will be three years, said the rule.

The rule orders agents to give accurate information about insurance plans to potential policy-holders and bans them from providing any exaggerated or false information to the clients.

They have been asked to help clients to deposit the premiums through the banking system. Agents can't accept the premiums in cash, according to the rule.

Experts and industry people welcomed the rule.

Prof Md Main Uddin, chairman of the Department of Banking and

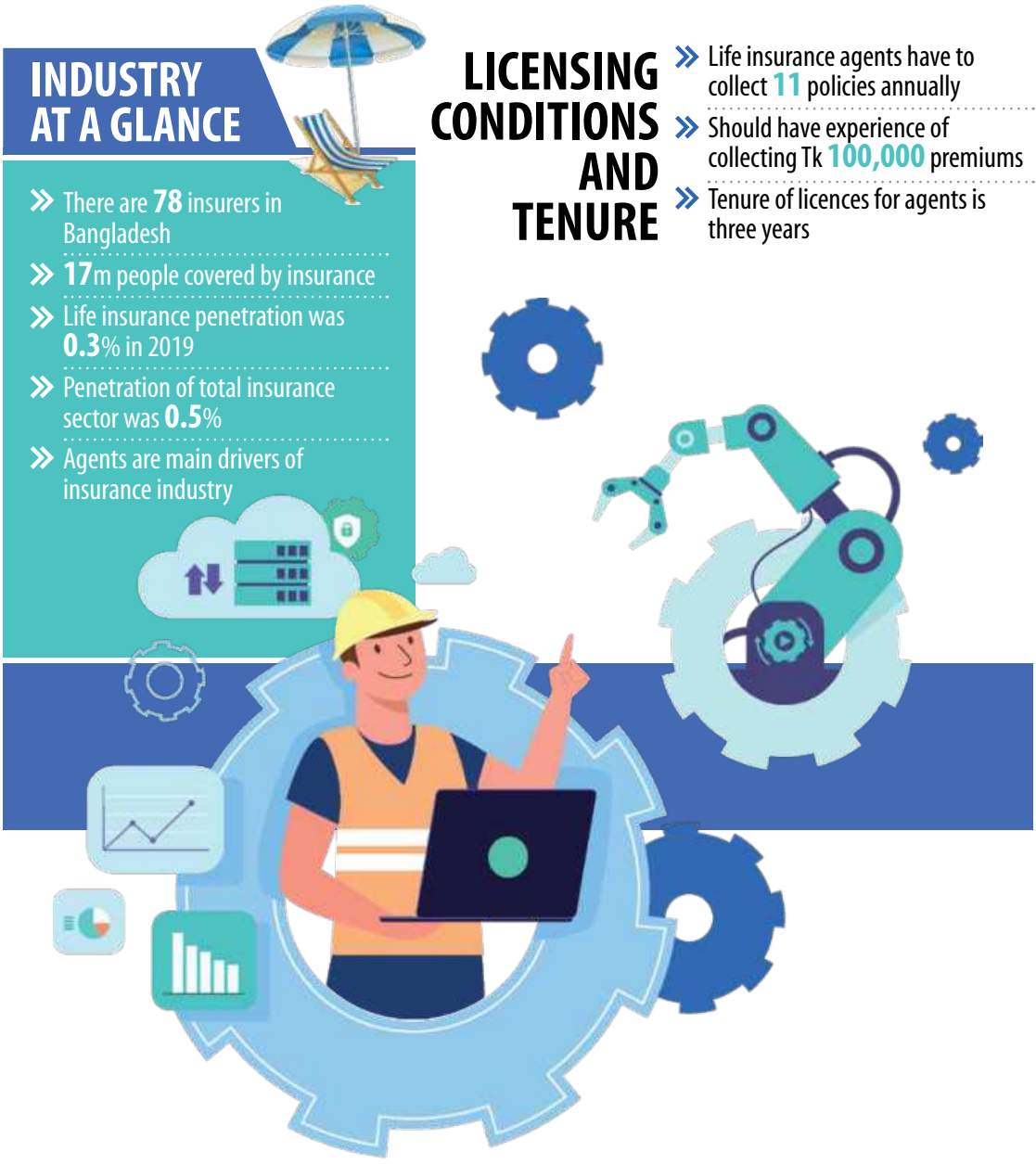
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### INDUSTRY AT A GLANCE

- » There are **78** insurers in Bangladesh
- » **17m** people covered by insurance
- » Life insurance penetration was **0.3%** in 2019
- » Penetration of total insurance sector was **0.5%**
- » Agents are main drivers of insurance industry

### LICENSING CONDITIONS AND TENURE

- » Life insurance agents have to collect **11** policies annually
- » Should have experience of collecting Tk **100,000** premiums
- » Tenure of licences for agents is three years



## Improve facilities, ease of doing business to attract more FDI

*Suggests research report of FICCI*

STAR BUSINESS REPORT

Enabling advantageous facilities for investors and making it easier to do business will help Bangladesh attract the foreign direct investment (FDI) expected in different sectors, according to the Foreign Investors' Chamber of Commerce & Industry (FICCI).

The government should focus on foreign investors' success stories and get them involved as brand ambassadors to highlight the opportunities and successes of multinationals running business in Bangladesh, said FICCI President Rupali Chowdhury.

She was addressing a knowledge-sharing workshop on a FICCI research report, styled "Growth drivers of Bangladesh: accelerating investment opportunities in agribusiness, digital economy and green finance", at the Renaissance Dhaka Gulshan Hotel yesterday.

Chowdhury suggested that foreign investors be offered more benefits than that provided by competing countries for Bangladesh to gain priority, create employment and attain higher economic growth.

However, she sees slow decision-making

### FDI DRIVERS

- » Vibrant investment policy and targeted promotion
- » Facilitative trade regime for greater global integration
- » Deepening financial sector for better access to appropriate finance
- » More conducive business taxation
- » Developing policies to provide regulatory clarity
- » Comprehensive policy framework for logistics development



### CHALLENGES

- » Lack of competitive facilities for foreign investors
- » Slow policy-making by government
- » Poor performance in ensuring ease of doing business
- » Scarcity of land
- » Creation of jobs for 2.2 million every year

processes of the government as a challenge for investors who are pragmatic and unwilling to waste time.

The FICCI will hand over the report to the government on November 21.

According to the report, Bangladesh's resiliency and prosperity can be attributed

to a number of causes, including increased private sector involvement, remittance, economic liberalisation, and trade integration.

Building on its achievements, Bangladesh intends to become an upper-middle-income country by 2031 and a

developed country by 2041, but it must initially overcome fundamental high-level economic restrictions, the FICCI said.

The report focuses on agribusiness, digital economy and green financing for climate-smart investments to understand what is

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### Familiar taxpayers top NBR honours list

STAR BUSINESS REPORT

The National Board of Revenue (NBR) yesterday named 141 top taxpayers, including 75 individuals, for the payment of the highest amount of taxes to the state coffers for the year of 2020-21.

The list, however, shows that at least half of them have featured as the top taxpayers for the second running year, with Kaus Mia, a businessman from Old Dhaka, leading the pack.

The nonagenarian, who is well-known for Hakimpuri Zarda, is sitting atop the 60 lakh registered taxpayers in the country.

He has been paying tax since 1958, and the NBR has crowned him with 15 awards over the years, including the recognition as the best taxpayer in the Mujib Borsho. His family was recognised as Kar Bahadur Paribar, or Tax Icon family, in 2016-17.

And 2020-21 is going to be yet another unforgettable year for Mia along with others who have been showing exemplary tax compliance and featuring on the list of the highest taxpayers repeatedly.

Golam Dastagir Gazi, textiles and jute minister, late Latifur Rahman, founder of Transcom Group, and Md Nazrul Islam Mazumder, chairman of Exim Bank, are among the top taxpayers who have retained their positions.

Islami Bank Bangladesh Ltd, Standard Chartered Bangladesh, and HSBC Bangladesh are the top taxpayers, like in the previous year, in the banking category. Brac Bank and Dutch-Bangla Bank Ltd are the other two banks that have been included in the list.

Three state-run lenders Infrastructure Development Company Ltd, Bangladesh Infrastructure Finance Fund

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### NBR to recognise top VAT payers on Dec 10

STAR BUSINESS REPORT

The National Board of Revenue (NBR) yesterday announced the names of nine firms in order to honour them for paying the highest amount of value-added tax (VAT) nationally in their respective sectors for fiscal 2019-20.

The effort aims to encourage businesses to properly deposit the indirect tax paid by consumers to the state coffers.

Additionally, names of 102 firms were announced for depositing the highest amount of VAT at the district level, according to two separate notifications issued by the NBR.

The NBR plans to honour the top nine firms nationally at a ceremony on December 10, said a senior official of the NBR, the main collector of revenue for the state.

Finance Minister AHM Mustafa Kamal is expected to hand over the award to the nationally biggest VAT payers, he said.

"We will honour them with crest and certificates," he said.

Of the winners, Aristopharma has been named as one of the top VAT payer nationally for the second consecutive year in manufacturing category.

This is going to be the 16th year that the NBR will honour businesses to ensure compliance of businesses and to increase tax receipts from domestic economic activities.

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## Indigenous 'ghani' lives on in Rangpur

FAHD MANNAN

Driven to near extinction by mechanised screw and hydraulic presses of factories, the indigenous "ghani" technology still lives on in the hands of one man at Bhetgari of Rangpur's Kishoreganj upazila.

This correspondent came upon Birol while he was working one of his two horses in his setup by the road last month.

The ghani works combining a circular stone mortar, an angled wood pestle and weights. As the horse moves in a circular path, the pestle rotates, exerting pressure on the pit, first pulverising the mustard seed and then crushing out its oil.

Because of insufficient pressure, yields are about 5 per cent less than in modern expellers, which can churn out one kilogramme of oil from every 2.5 kg mustard seed. Traditional ghanis have a maximum capacity of about 50 kg per day, and modern powered units only about twice that much, says a Food and Agriculture Organization paper.

Moreover, trained animals are needed. They are expensive to feed and require rest. Artisan training is also essential. Birol was seen continuously turning over the seeds while working the press. As a result, running costs are disproportionately high.

According to the Department of Agricultural Extension, some 7.87 lakh tonnes of mustard seed were produced in fiscal 2020-21 from around 5.89 lakh hectares of land.

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PHOTO: FAHD MANNAN