

Only 37pc taxpayers file returns

Deadline ends

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Only 37 per cent of 62.77 lakh registered taxpayers filed income tax returns until January 2, the last day for filing income and wealth statements by individuals, according to the National Board of Revenue (NBR).

In addition, 3.62 lakh taxpayers applied to the tax offices seeking more time to furnish their tax returns for the income year 2021-22, said a senior NBR official.

Officials said nearly 23 lakh taxpayers submitted returns since July 1.

This was 7 per cent higher than the 21.5 lakh who submitted returns until December 31, 2020, the previous year's last date for returns submission.

However, tax payments with returns declined 18 per cent year-on-year to Tk 3,290 crore as of the final day of submission of returns from Tk 4,010 crore a year ago, according to the NBR.

In the face of the low rate of submission of tax returns, the NBR extended the deadline for taxpayers to file annual income, expenditure and wealth statements without penalty from November 30 to December 31.

As December 31 was the weekly holiday of Friday, the NBR received returns until January 2 without penalty. Yet the ratio of return submission out of the total taxpayer identification number holders was lower this year than last year's 42 per cent.

The NBR rules stipulate that except for certain cases when TIN was waived just for a credit card or to sell land, TIN holders will have to file tax returns.

The tax authority has made the filing of tax returns mandatory for persons in 22 areas, including individuals, who have 12-digit TINs.

As the deadline has expired, taxpayers will now be required to pay a fine during filing returns for the income year 2021-22.



Fishermen prepare their nets at Fisheries Ghat in Chattogram yesterday to make their catch from the Bay of Bengal. Livelihoods of about 1.8 crore people involved in the fisheries and aquaculture sector in Bangladesh have been affected by the Covid-19 pandemic, according to a study published in the United Kingdom-based journal Marine Policy in the middle of last year. It said the pandemic had hurt the earnings of 85 per cent of fishers.

PHOTO: RAJIB RAIHAN

Stocks spurred by export surge

Key index on a three-day winning streak

STAR BUSINESS REPORT

The Dhaka stock index has edged up as investors were in a buying spree spurred by growing export earnings of the country.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), rose 29 points, or 0.42 per cent, to 6,882 yesterday. This was the third day of a continuous rise amounting to 2 per cent or 151 points.

Investors' confidence grew with news of higher export earnings last month, said a top official of an asset management company.

December's export earnings were 48.27 per cent higher year-on-year as exporters raked in \$4.9 billion.

It was \$3.3 billion in the same month in 2020, according to data from the Export Promotion Bureau.

In 2021 overall exports made a 32 per cent year-on-year gain to \$44.22 billion from \$33.6 billion in 2020.

It gives a clear indication of strong economic recovery amidst the new

challenges posed by the Omicron variant of the coronavirus pandemic, said the asset manager.

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Among 58 listed textile and readymade garment companies, stocks of 46 rose, nine dropped and three remained unchanged, shows the DSE data.

The DS-30, the blue-chip index of the DSE, rose 15 points, or 0.60 per cent, to 2,576.

At the DSE, 217 stocks advanced, 132 fell and 28 remained the same.

Turnover of the premier bourse soared 47 per cent to Tk 1,314 crore, up from the previous day's Tk 894 crore.

Stocks of eGeneration topped the gainers' list, rising 9.98 per cent, followed by Fareast Islami Life Insurance Company, Taufika Foods and Lovello Ice-Cream, Ring Shine Textiles and RN Spinning Mills.

The Sonali Paper and Board Mills shed the most, dropping 7.49 per cent, followed by Atlas Bangladesh, Libra Infusions, Agricultural Marketing Company (Pran) and Dacca Dyeing & Manufacturing Company.

Stocks of Beximco topped the turnover list with trade worth Tk 181 crore followed by Bangladesh Shipping Corporation, Fortune Shoes, Power Grid Company of Bangladesh, and The Peninsula Chittagong.

Chittagong Stock Exchange (CSE) continued to go up. The CASPI, the main index of the CSE, soared 102 points, or 0.51 per cent, to 20,157 yesterday.

Tesla delivers almost 1m cars globally in 2021

AFP, Washington

Tesla said Sunday it delivered nearly one million vehicles in 2021, almost twice as many as in the previous year, results that were better than expected despite global supply challenges.

The US electric carmaker delivered more than 936,000 cars of all models in 2021, an increase of 87 per cent over the previous year, the company said in a statement.

Tesla had announced last January that it was aiming to increase deliveries by 50 per cent per year over several years, so Sunday's results far exceeded that goal.

The group, which recently moved its headquarters from Palo Alto, California to Austin, Texas, sold 911,208 Model 3 and Model Y vehicles as well as 24,964 vehicles of its luxury S and X models (at a price of \$90,000 and \$100,000 respectively). In the fourth quarter alone, Tesla delivered 308,600 cars.

Tesla has managed to overcome global logistics issues that have plagued the auto industry.

Its chief Elon Musk previously said he was able to get around much of the semiconductor shortage by using new chip designs and rewriting software.

Tesla got another boost in October when it received an order for 100,000 electric vehicles from the rental company Hertz, to be completed by 2022.

Troubled Evergrande suspends share trading again

AFP, Hong Kong

Embattled Chinese developer giant Evergrande announced Monday it was once again suspending trading of its shares in Hong Kong ahead of an announcement.

The country's property firms have struggled in the wake of Beijing's drive to curb excessive debt in the real estate sector as well as rampant consumer speculation. Drowning in \$300 billion in liabilities, Evergrande has struggled to repay bondholders and investors after Beijing's crackdown suddenly turned off the liquidity taps.

"At the request of the Company, trading in the shares of the Company was halted at 9:00am on 3 January 2022 pending the release by the Company of an announcement containing inside information," the group said in a short statement on the Hong Kong stock exchange.

It previously saw a period of suspended share trading back in October. The troubled developer was labelled as being in default by international ratings firms last month after it failed to repay liabilities on time.

Earlier struggles to pay suppliers and contractors due to the debt crisis led to sustained protests from homebuyers and investors at the group's Shenzhen headquarters in September.

Last week, Evergrande momentarily cheered investors by insisting it would be able to deliver tens of thousands of units this month, and pay off some debts.

E-commerce's New Year resolution

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He said the mistrust has fuelled the use of the cash on delivery option, which now accounts for more than 90 per cent of payments, shooting up from 70 per cent in the first half of 2021.

Card transactions for e-commerce purchases have also gone down, standing at less than Tk 800 crore per month in July, August, September and October whereas it was Tk 1,277 crore in June and Tk 1,183 crore in May.

The higher growth seen in 2020 and 2021 was partially artificial as many scammers had duped customers with the discount trap, said Mashroor.

According to him, Facebook-based commerce, or F-commerce, will undergo further massive expansions in the future for one key characteristic – the buyer and the seller are connecting directly and getting to know each other builds trust and reduces scopes for fraudulence.

Mashroor, one of the pioneers of the digital business who has been vocal against the discount trap, suggests that the government provide policy support for the sector's revival.

One major policy support could be the withdrawal of a 5 per cent VAT on online purchases.

According to his calculation, about Tk 100 is payable in the form of advance income tax, purchase VAT and another

VAT on logistic service expenditure on every Tk 1,000-worth products purchased online.

RETURNING MONEY AND REGULATORY MEASURES

Amidst the outcry of customers and criticism over state agencies' inaction, the government initiated a crackdown on the second half of the year.

It started with the arresting of E-orange owners Sonia Mahzabin and her husband in August for allegedly embezzling Tk 1,100 crore of customers.

Rapid Action Battalion arrested Mohammad Rassel, CEO of Evaly, and his wife, Shamima Nasrin, the chairman, in mid-September. In early October, Qcoom owner Ripon Mia was also held by police.

Government agencies also took some regulatory steps.

On July 4, the commerce ministry issued the Digital Commerce Operation Guidelines, 2021.

It stipulates, among other things, that if the online platform and delivery destination are within the same city, the handover must be made within five days.

The government is also set to begin registering e-commerce and F-commerce firms within a month, providing a unique number to e-commerce platforms, according to AHM Shafiquzzaman, chief of the new Digital Commerce Cell opened by the ministry.

On the return of customers' money, he said a few thousand Qcoom customers, whose advance payments were stuck with payment gateway Foster, would get their money back in January.

"We sat with Foster and Qcoom officials (last week). We found that Tk 397 crore of Qcoom customers' money is stuck with Foster," said Shafiquzzaman, also an additional commerce secretary to the ministry.

Of the amount, Tk 100 crore-worth products have already been received by customers, meaning Qcoom will get that payment, and the rest will be handed over to customers within a few weeks.

On the issue of Evaly customers, he said it would be taken care of by a body formed by the High Court.

"We will try to settle every case, but after solving one platform's problem, we will take up another."

To build up the confidence, work has been progressing over enacting a legal framework.

However, industry people believe enforcement of existing laws and proper vigilance by regulatory authorities alone would be able to prevent potential scams.

"No new law is needed as we think it would jeopardise the growth of the industry. If the DNCRP is strengthened, it will be able to prevent future fraudulence in the sector," said Mashroor.

Tax receipts rise, still below target

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With November's receipts, total tax collection by the NBR stood at Tk 100,573 crore since July, the first month of fiscal year 2021-22, registering a 15 per cent year-on-year growth during the period.

The amount was 81 per cent of the NBR's collection target for the period and 30 per cent of the whole year's revenue collection goal of Tk 330,000 crore.

The tax collector will be required to collect Tk 229,427 crore during the remaining seven months of the fiscal year in order to hit the target.

"This is unlikely to be achieved," said Towfiqul Islam Khan, senior research fellow of the Centre for Policy Dialogue (CPD). The NBR would be required to increase revenue collection at a rate of 32.9 per cent for the remaining seven months of the fiscal year.

As a result, hesaid, overall revenue mobilisation and hence, the execution of the programmed budget, will continue to remain challenging in FY2022.

The NBR should focus on three areas – curbing tax evasion and illicit financial flows, operationalising pending tax reforms and

devising a plan to limit tax breaks in a phased manner.

The NBR data showed that surging imports continued to provide impetus as collection from customs tariff shot up 19 per cent year-on-year to Tk 32,866 crore in the July-November period of the current fiscal year.

Imports climbed 51 per cent in the July-October period, according to Bangladesh Bank data. Khan said both rising import demand and increased commodity prices at the global level have helped attainment of this improved growth.

Recovery of economic activities also brought a good amount of value added tax (VAT), said a senior NBR official.

Collection of the VAT, also known as consumption tax, increased 15 per cent to Tk 38,009 crore in the July-November period of fiscal year 2021-22 from the same period a year ago.

And as final day for submission of tax returns was nearing, the taxmen logged 14 per cent year-on-year growth to Tk 29,511 crore in income tax collection in the five months till November of the current fiscal year, according to the NBR data.

S Korea factory activity quickens

REUTERS, Seoul

Activity in South Korea's factories expanded at the fastest pace in three months in December but the economy struggled to gather momentum as rising global coronavirus cases and continued supply constraint weighed on production and overseas demand.

The IHS Markit purchasing managers' index (PMI) for the final month of the year rose to 51.9 from 50.9 in November, remaining above the 50 threshold that indicates expansion in activity for a 15th consecutive month.

The survey on Monday showed output continued to shrink on supply chain constraints, with firms facing semiconductor chip shortages and weak demand, though the pace was the mildest in three months.

New orders - which have the largest weighting in the PMI - grew at a faster pace as domestic demand conditions improved, offsetting sluggish overseas sales.

"Survey data showed new export orders falling for the first time since September 2020, which firms attributed to rising Covid-19 cases globally, congestion at ports and a lack of available shipping containers," said Joe Hayes, senior economist at IHS Markit.

Dhamaka owner makes off with Tk 45cr

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commerce ministry and chief of the Digital Commerce Cell, said the ministry would review the report soon in order to determine its next course of action.

"The Bangladesh Financial Intelligence Unit and the Criminal Investigation Department (CID) may find whether the money was laundered or not by Dhamaka Shopping," he said.

In September last year, the CID filed a Tk 116.68 crore money laundering case against the company with Banani police station.

The money laundering case is under investigation, said Humayun Kabir, special superintendent of the financial crime unit of the CID.

Chishty and his family members have been absconding since July last year.

In September last year, the Rapid Action Battalion arrested Sirajul Islam Rana, chief operating officer of Dhamaka Shopping, Imtiaz Hasan Shobuj, head of the mobile fashion lifestyle category, and Ibrahim Shwapon, head of the electronics category.

CID investigators found that Invariant Telecom took permission from the Office of the Registrar of Joint Stock Companies and Firms on February 25, 2015 for importing and exporting

software, telecom systems, smartphones, IP phones and internet services equipment.

In October 2020, the company launched Dhamaka Shopping without any approval. Business activities of the platform are currently closed.

In a post on its Facebook page on December 26, Dhamaka Shopping said it would be fully operational as soon as the new government policy is released.

A central banker, speaking on condition of anonymity, told The Daily Star that those who were involved in selling motorcycles only in papers should be brought under the law.

"The beneficiaries should also be brought to justice because they have benefited a lot as well. If they face trial, it will be lot easier to uncover the truth," he said.

Dhamaka Shopping had more than two lakh registered customers, and about 11,000 vendors used to supply goods to the company, according to the BB.

The platform claimed it used to sell mobile phones, TVs, laptops, computers, refrigerators, motorcycles, groceries, watches, sunglasses, household goods, furniture and many other products before its operation is suspended.