



bKash fetches freelancer's remittance in seconds Signs deal with Payoneer

MAHMUDUL HASAN
bKash has given the country's burgeoning freelancer community reason to cheer as they can now receive payments through the mobile financial service (MFS) provider within a few seconds.
bKash has already signed a deal with Payoneer, an online payment gateway service provider that allows users to send or receive payments from around the world, to this end.
With the service set to launch today, bKash, which has about 5.85 crore customers, will become the country's first MFS provider to offer an official channel for incoming remittance.

Bangladesh has about six lakh IT service exporters and freelancers while the number of team-based freelancing companies hovers around 1,600.

Bangladesh Bank allowed MFS providers in the country to handle the remittance of local freelancers in February last year. Previously, only banks were allowed to provide such remittance services.
Under the agreement, Brac Bank will act as the local payment gateway.
This means that any incoming remittance will first be transferred to the lender via Bangladesh Bank through Payoneer before it is deposited in the recipient's bKash account.
The whole process will only take a few seconds though as all the steps are taken in real-time.
Freelancers will have to link their Payoneer accounts with bKash accounts to avail of the service. A freelancer will be able to withdraw money when a minimum of Tk 1,000 is deposited to their bKash account.
"Thumbs up to bKash as we will get the money in real-time. It takes 24 to 48 hours to bring the payment through banking channels," said Mahdi Hasan, a top-rated freelance content writer and marketing strategist on Upwork.

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TOP 10 BANKS whose loans to NBFIs turned sour

As of March 2021; (Tk in crore) SOURCE: BB

BASIC	111	Mercantile	47
DBBL	109	NRB	45
BDBL	97	Uttara	44
AL-Arafah	62	MTB	33
Janata	54	Modhumoti	30

WHAT BANKERS SAY

- Actual NPLs higher than the figure sent to BB
- Banks were asked not to classify despite funds turning sour
- BB asked banks not to file lawsuit against incapable NBFIs
- Some NBFIs unable to have loans rescheduled
- Scams main culprits for NBFIs current state
- Concerted efforts needed to restore corporate governance

Total funds disbursed by banks to NBFIs
Tk 29,223.5cr as of March 2021



Default loans at NBFIs

- Tk 11,757cr as of Sep 2021, up 17pc from Dec 2020
- The percentage of NPLs: 17.62pc

The BB, BSEC and BLFCA should explore ways to restore the image of the NBFi sector.

Mominul Islam
chairman of BLFCA



Troubled NBFIs render Tk 1,000cr bank loans sour

AKM ZAMIR UDDIN

Twenty-five banks are suffering from a collective default loan of Tk 974.4 crore after several non-bank financial institutions (NBFIs) failed to pay back funds despite maturity, in another sign of feeble state in the financial industry.

The fragility of the NBFi sector came to the fore three to four years ago after it emerged that some scammers had siphoned off a huge of funds from the companies in the name of loans. Now, NBFIs are failing to repay banks and individuals although funds have matured.

The figure of default loans came to light after the Bangladesh Bank ordered banks to send the data of the loans disbursed to NBFi and deposits kept with them.

The banks furnished the BB with data as of March last year.

Top bankers say that the NPL figure is much higher than the amount reported by banks as the BB had earlier asked them not to classify the funds despite their inability of NBFIs to repay on time.

The central bank move aimed at keeping the public confidence in the NBFIs intact.

Banks feel comfort in parking funds at NBFIs as the latter own licences from the central bank to do banking, such as disbursing loans to borrowers and mobilising funds from depositors.

Banks have funds of Tk

29,223 crore with NBFIs, either in the form of loans or deposits, according to BB data.

Prashanta Kumar Halder, also known as PK Halder, who is believed to be living in Canada after fleeing from Bangladesh, is one of the people responsible for the ongoing vulnerable situation of the NBFi sector.

Halder, a former managing

get the approval. The BB even asked not to classify the fund.
"How would then the bank recover the fund?"

BASIC Bank faced a defaulted loan of Tk 111.2 crore disbursed to FAS Finance, ILFSL and Bangladesh Industrial Finance Company (BIFC), said a senior official of the state-run lender.

He, however, said the

said Managing Director Kazi Alamgir.

He said the total funds disbursed to the NBFIs have now increased to Tk 111 crore, including interests.

Mercantile Bank has been in a quagmire for a long to collect funds worth Tk 47.1 crore from several NBFIs, including BIFC, ILFSL and FAS Finance.

Mati Ul Hasan, additional managing director of the bank, says the lender has regularised some of the loans by accepting a down payment that is lower than the mandatory amount with prior approval from the central bank.

Mamoon Mahmood Shah, managing director of NRB Bank, said that the lender had tried to reschedule the NPLs by offering a lower down payment, but the effort was futile.

The bank faces a bad loan of Tk 45.2 crore disbursed to some NBFIs.

According to Syed Mahbubur Rahman, managing director of Mutual Trust Bank, it is not possible to recover funds overnight as the NBFIs are under stress.

The bank is now giving all-out efforts to recover Tk 33.3 crore.

Md Shafiqul Azam, managing director of Modhumoti Bank, suggests a concerted effort to recover the default loans. The bank has Tk 30 crore stuck with the NBFIs.

Contacted, Mominul Islam, chairman of the Bangladesh

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MCCI demands further cut in corporate tax

STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry (MCCI) yesterday demanded the government reduce corporate tax in the national budget this year as well in order to bring the rate to a rational level.

The government reduced corporate tax by 2.5 percentage points in each of the last two budgets, bringing the rate down to 30 per cent.

The government should again reduce the rate given that 30 per cent is still too high even in the South Asian regional perspective, according to the MCCI leaders at a pre-budget discussion with officials of the National Board of Revenue (NBR) at the tax administration office in Dhaka.

In his budget proposal for fiscal 2022-23, MCCI President Md Saiful Islam said expenses such as tax deducted at source are so high that businesses are yet to enjoy the overall 5 per cent reduction in corporate tax.

For instance, corporate tax is not retained at 22.5 per cent in the case of publicly listed companies. Instead, the rate escalates to 40 per cent to 50 per cent in varying cases.

"So, the issue should be considered again," Islam said.

Besides, doing business in Bangladesh has become more expensive and time-consuming as

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FICCI for adopting MFS, agent banking as payment mode

STAR BUSINESS REPORT

The foreign investors' chamber yesterday urged the revenue authority to formalise the adoption of mobile financial service (MFS) and agent banking as a mode of collection or payment in all tax laws.

They called for consultation with the Bangladesh Bank to reduce transaction costs to encourage businesses to adopt MFS and agent banking.

"This will improve convenience as well as transparency," said Naser Ezaz Bijoy, president of the Foreign Investors' Chamber of Commerce and Industry (FICCI), at a pre-budget discussion organised by the National Board of Revenue (NBR).

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STOCKS	
DSEX ▲	CSCX
0.12%	Flat
7,081.38	12,445.48

COMMODITIES	
Gold ▲	Oil ▼
\$1,826.13	\$89.03
(per ounce)	(per barrel)

CURRENCIES		STANDARD CHARTERED BANK			
	\$ USD	€ EUR	£ GBP	¥ CNY	
BUY TK	85.05	96.52	114.46	13.13	
SELL TK	86.05	100.32	118.26	13.81	

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.14%	▲ 1.08%	▲ 0.54%	▲ 0.79%
58,465.97	27,579.87	3,420.04	3,479.95



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