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IDRA chair resigns amid controversy

Bari new chief

STAR BUSINESS REPORT

M Mosharraf Hossain, whose tenure as the chairman of the Insurance Development & Regulatory Authority (IDRA) was marked by controversies, has stepped down, more than a year before his contract comes to end.

Hossain resigned on June 14 and it was accepted, said the Financial Institutions Division of the finance ministry in a notice yesterday.

No reason was given from the division for the resignation. Hossain could not be reached for comments.

He quit citing "personal reasons", said an official of the finance ministry, seeking anonymity.

Also yesterday, the government appointed Mohammad Jainul Bari, a former planning and social welfare secretary, as the new chief of the insurance regulator on a contractual basis for a three-year term.

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WTO confce extended by a day

REFAYET ULLAH MIRDHA, from Geneva

The ongoing meeting of the World Trade Organisation (WTO) has been extended by one day as countries could not reach a consensus on various issues under discussion within the stipulated time.

Following the consultations by WTO Director-General Ngozi Okonjo-Iweala with the MC12 Chair, Timur Suleimanov, the vice-chairs and the minister facilitators, delegations were informed that the MC12 will be extended until June 16.

It came after Okonjo-Iweala called on the members, late on June 14, to go the extra mile to find convergence on various issues at stake to conclude meaningful agreements.

"It requires that we work harder and work nights and do whatever it takes to be able to do it."

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e-CAB members to vote after 7yrs

Scams still haunt the industry

MAHMUDUL HASAN

Seven years past its formation, the e-Commerce Association of Bangladesh (e-CAB) is on way to let its 795 voters elect its executive council for the first time.

Reeling from scams of some online platforms surfacing last year, the sector has lost its growth momentum while its entities are finding it hard to acquire new customers as trust has nosedived to rock bottom.

Having tenures of one or two years, the previous executive councils, in a sense, came to office uncontested.

This makes the upcoming June 18 polls very much significant for the 1,700 or so e-commerce entrepreneur members.

A total of 31 candidates will be competing for nine posts for a two-year tenure, according to Amin Helaly, chairman of a commissionformed to hold the election.

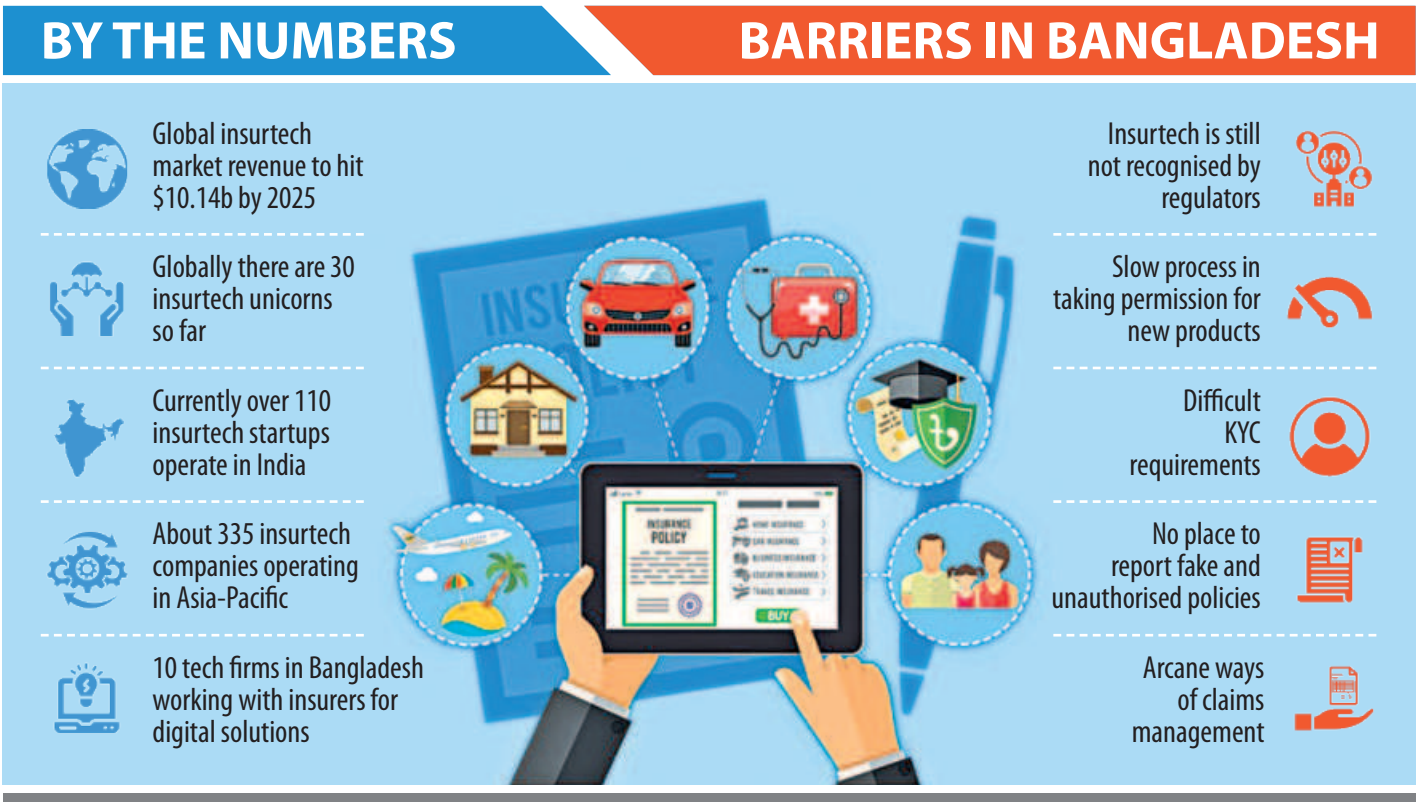
A number of voters that The Daily Star talked to were hyped at being able to have their say and expressed hoped for more representation of their hopes and aspirations.

Industry insiders said most of the past leaders were owners of entities whose online trade was more of a secondary characteristic.

The trade body is yet to meet much of its members' expectations and protect and promote interests of entrepreneurs and consumers for proper expansion of Bangladesh's digital economy, they added.

Moreover, the recently proposed national budget for fiscal year 2022-23 did not have anything conducive to the association's major demands, including issues of VAT and tax waivers.

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Can Bangladesh transform insurance using tech?

A tie-up between insurers and tech firms could show the way

STAR BUSINESS REPORT

Bangladesh, which has one of the lowest insurance penetrations in the world, is missing out on tapping the potential of the insurance sector using technologies for a lack of recognition of insurtech by regulators, said experts and industry people yesterday.

Insurtech, a combination of the words insurance and technology, refers to the use of technology innovations designed to squeeze out savings and efficiency from the current insurance industry model.

"It is important for the Insurance Development and Regulatory Authority (IDRA) to make necessary amendments to its policies to allow technology companies and insurers to work together so that they can develop and modify products to provide technology-based and hassle-free services to customers," said Masud Rana, an additional director of the Bangladesh Financial Intelligence Unit.

He was speaking at a roundtable styled "Potential of InsurTech in Advancing Bangladesh's Economy", organised by the Bangladesh Association of Software and Information Services (BASIS) at its auditorium in Dhaka.

Speakers said the role of insurtech players has to be formalised to bring about a paradigm shift in the insurance sector of Bangladesh.

The insurance sector in

other countries, including those in the sub-continent, has considerably higher market penetration with a much wider range of products than in Bangladesh.

For example, there are more than 110 InsurTech startups in India and 335 such companies in the Asia-Pacific region.

In Bangladesh, there are

facilities, leading to greater accuracy.

Claims processing after natural catastrophes will be automated, infinitely scalable, and lightning fast. The life insurance industry will bring to market "wrapped" products that seamlessly adjust coverage based on the evolving needs of their customers, said McKinsey

farms from financial losses incurred from the unexpected death or theft of cattle. Thanks to the insurance, farmers will get comprehensive protection against loss.

In the case of death and theft, a farmer will get 90 per cent compensation for the value of the cattle within 15 days of submission of the claim.

Adorsho PraniSheba uses machine learning and artificial intelligence to recognise the cattle, helping insurers insure the cattle and making claim settlements easier since technologies can recognise the insured animals, even the dead ones. "So, it becomes more transparent and hassle-free," Haq said, while presenting a paper. It has insured 300 cattle so far.

He called for a provision in the Insurance Act to allow insurtech companies to operate as digital insurance agents, or issuing a no-objection certificate until the law is revised.

"Technology can boost the insurance sector as data can transmit real-time and policy premium calculation can be done automatically with AI-powered solutions."

AKM Fahim Mashroor, chief executive officer of Bdjobs.com and AikerDeal, suggested a significant revision of the existing regulations and mandates as per current market needs. Samira Zuberi Himika, senior vice-president of the BASIS, also spoke.



around 10 companies working with insurance companies to provide insurance solutions digitally or enable insurance through information technology.

Globally, a handful of accelerating technology trends are poised to transform the very nature of insurance, said a report of McKinsey & Company is a global management consulting firm.

In auto insurance, risk will shift from drivers to the artificial intelligence (AI) and software behind self-driving cars. Satellites, drones, and real-time data sets will give insurers unprecedented visibility into the risk around

& Company. "Bangladesh needs to update the Insurance Act 2014 with provisions for insurtech companies and should allow the BASIS to contribute with an assessment of the Act and implications across industries," said Fida Haq, co-founder and CEO of Adorsho PraniSheba, an insurtech firm.

Adorsho PraniSheba has partnered with Phoenix Insurance Company and Green Delta Insurance Company to ensure value protection, loan and insurance benefits of cattle through Bangladesh's first and only IoT-based cattle monitoring platform.

Cattle insurance protects

Bank vendors can't be those of high-ups: BB

STAR BUSINESS REPORT

Bangladesh Bank yesterday asked banks to refrain from procuring goods and services from firms in which directors and high officials of the lenders have ownership, be it direct or indirect.

Such vendors have been found to have taken part in the procurement processes of the lenders, violating banking norms, according to a Bangladesh Bank notice.

"This has created an impediment to establishing corporate governance in the banking sector," it said.

As per the banking companies act, there is no scope for a firm, in which a bank's directors and top officials have ownership, to take part in the



lender's procurement activities.

There is a conflict of interest of the same person holding the positions in the two different entities when they engage in business activities.

The central bank had earlier barred bank directors alongside three top officials of the management – the managing director, additional managing director and deputy managing director – to get their firms delisted from the lenders' list of vendors.

Fahmida Khatun, executive director of the Centre for Policy Dialogue, said such dual involvements left scopes for corruption.

It is not possible for the central bank to monitor everything banks do and there should be an internal control and compliance system to prevent malpractices at banks, she said.

But there is an unholy alliance between directors and top management of some banks, she said. This has helped delinquent directors and officials supply products to banks where they are employed, she said.

"Banking business runs on the trust of commoners. So, all should respect and protect the trust," Khatun said.

STOCKS	
DSEX ▲	CASPI ▲
0.20% 6,374.51	0.33% 18,772.92

COMMODITIES	
Gold ▲	Oil ▼
\$1,831.04 (per ounce)	\$118.61 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.39% 52,541.39	▼ 1.14% 26,326.16	▼ 0.1% 3,105.85	▲ 0.50% 3,305.41



Stock investors watch fluctuations of share prices on a screen at a brokerage house at Motijheel in the capital.

PHOTO: AMRAN HOSSAIN

Widen listed, non-listed tax gap

Merchant bankers urge govt

STAR BUSINESS REPORT

Merchant bankers have requested the government to further decrease the corporate tax rate for listed companies such that it attracts non-listed ones into going public.

Although the government recently proposed to reduce the corporate tax rate by 2.5 percentage points in the national budget for fiscal year 2022-23, the gap in tax paid by the two types of firms remains the same at 7.5 percentage points.

The request came at a post budget meeting organized by Capital Market Journalists' Forum (CMJF) and Bangladesh Merchant Bankers Association (BMBA) on the former's premises in the capital yesterday.

Prof Shamsul Alam, state minister for planning, said the government was

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