NBR's tax service month starts on Nov 1

STAR BUSINESS REPORT

The National Board of Revenue (NBR) is going to celebrate tax service month this November to facilitate taxpayers return submissions.

Instead of holding an income tax fair like the previous years, this time the tax administrator will receive income tax returns from November 1 to November 30 in all tax zones, the NBR said in a press release today.

The taxpayers can file their personal income tax returns for the tax year of 2022-23 in their designated tax zones during the month.

The comprehensive tax service delivery programme aims at developing a tax culture, increasing tax awareness and gaining the trust and confidence of the respected taxpayers, according to the statement.

The monthlong programme will be launched on November 1 at the NBR conference room in Segunbagicha where NBR Chairman Abu Hena Md Rahmatul Muneem will be present as the chief guest.

On June 4 this year, a fire and explosion at the BM Container Depot claimed the lives of 51 people while more than 200 were injured and a huge quantity of import and export containers were damaged.

PHOTO: STAR/FILE

BM Container depot resumes cargo handling

Must meet nine conditions in three months to continue operations

DWAIPAYAN BARUA, *Chattogram*

The privately-owned BM Container Depot yesterday resumed handling export cargoes, albeit on a limited scale, after receiving permission from the customs authority to handle only garment shipments for the next three months.

The inland container depot (ICD), which began operations after more than four-and-a-half months since a deadly explosion on its premises on June 4, secured permission in this regard on nine conditions.

As per the conditions, the depot will not be allowed to handle any dangerous goods, including chemical goods, for shipment through Chattogram port within the permitted period.

Other conditions include mandatory collection of no objection certificates from the Chattogram Port Authority (CPA), and meeting all conditions mentioned in the Private ICD/CFS Policy-2021 and Bonded Warehouse Licensing Rules-2008.

In addition, the depot must abide by fire safety measures based on the Fire Prevention and Fighting Act-2003, install necessary container and cargo handling equipment as per CPA regulations and approved bonded warehouse license, bring the whole ICD and CFS area under CCTV coverage, and set up backup storage at different spots outside the ICD within the three months.

The ICD authority will also have to collect a fire safety plan approved by the fire service and civil defence office and implement it on a regular basis, said a senior official of Custom House Chattogram.

Also, they will have to arrange a separate yard and shed for storing and handling dangerous goods and chemical items as per the International Maritime Dangerous Goods (IMDG) Code within the next three months, he added.

On June 4, a fire and explosion at the BM Container Depot claimed the lives of 51 people while more than 200 were injured and a huge quantity of import and export containers were damaged.

Immediately after the accident, the Custom House Chattogram suspended all import and export operations through the private ICD.

Following repeated appeals from the depot authority and requests from different trade bodies, including the Bangladesh Garment Manufacturers and Exporters Association, Bangladesh Inland Container Depots Association and Chittagong Chamber of Commerce and Industry, the National Board of Revenue (NBR) on October 19 gave the nod and directed the customs house to give clearance in this regard.

Following the NBR's directive, the customs house on Monday (October 24) gave the depot temporary permission for partially handling exports, said a senior customs official.

If the conditions are not implemented within the stipulated time, the permission will be cancelled automatically, he added.

Earlier on August 22, the customs authority gave the depot conditional permission to handle empty containers.

BM Container Depot, a concern of Smart Group, is one of 19 privately owned ICDs through which 100 per cent of the country's export cargoes, empty containers and import containers carrying 38 types of goods are handled.

Captain Mainul Ahsan, executive director of Smart Group, confirmed that they started handling export cargoes from yesterday after receiving permission from the customs office.

He said they already took several fire safety measures, including setting up a high-power water pump, while the installation of a water-cum-foam hydrant system with 2.50 lakh gallon capacity reservoir tank is ongoing.

Loan repayment policy relaxed for sick industries

STAR BUSINESS REPORT

Bangladesh Bank yesterday relaxed loan repayment policy for sick industries enlisted by the commerce ministry such that the beleaguered businesses can refund their loans on easy conditions.

If a sick industry pays 2.5 per cent down payment of the principal amount of loans, they will be eligible to get a rebate on the whole interest payment, according to a Bangladesh Bank notice.

After rebating the interest, banks will have to impose the interest rate on the remaining principal amount equivalent to their cost of fund.

The central bank termed the opportunity as a one-time exit facility for the businesses, which are now in a defaulted zone.

The borrowers will have to apply to the banks to get the facility within 45 days since the issuance of the notice

The defaulters, whose outstanding amount of loans are more than Tk 50 lakh, will have to repay the loans within three years; otherwise the relaxed facility will be cancelled.

If any business has to repay the fund by selling their lands, they will be allowed to refund the amount within the stipulated duration of three years.

Banks will have to treat the loan as defaulted ones until the whole amount of fund is realised.

The borrowers will have to apply to the banks to get the facility within 45 days since the issuance of the notice.

But they will have to initially pay the down payment of 2.5 per cent before getting the relaxed facility.

Banks will have to postpone the cases, which were earlier filed with the courts against the borrowers to recover the fund, within 90 days after the relaxed facility is given to the clients.

The adjourned cases will have to be revived if clients do not repay the loans within the timeframe.

STOCKS

DSEX ▲	CASPI ▲
0.25%	0.12%
6,344.35	18,677.97

COMMODITIES

Gold ▲	Oil ▲
$1,667.26	$86.67
(per ounce)	(per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.47%	▲ 0.67%	▲ 0.81%	▲ 0.78%
59,542.90	27,431.84	3,008.38	2,999.50

Rationalise tariff to fight post-LDC challenges

DCCI says

STAR BUSINESS REPORT

The government should rationalise the existing tariff structure, as Bangladesh will face a few challenges in case of giving subsidies after its graduation to a developing nation, said Rizwan Rahman, president of Dhaka Chamber of Commerce and Industry (DCCI).

He spoke at a workshop on "Competitive tariff structure: post-LDC graduation context" organised by the Dhaka Chamber at its office in the capital yesterday.

After the LDC graduation, Bangladesh will have to pay 8 to 16 per cent duty to the export destination countries, he said.

"Moreover, we will not be able to impose any supplementary and regulatory duty to safeguard local industries, which is going to be a challenge."

At present, the average tariff structure in Bangladesh is about 13.5 per cent, which is higher than Vietnam, Taiwan and Malaysia, Rahman said.

"We need to prepare ourselves in terms of enhancing productivity, cost minimisation, industry skills development, ease of doing business and cost of doing business."

Cut regulatory duty on sugar

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than Tk 100 per kg a week ago. Besides, packaged sugar, which is preferred by households, has become hard to find in neighbourhood stores.

In this circumstance, at the request of the Directorate of National Consumers Right Protection, Deshbandhu Group, City Group and Meghna Group of Industries took the initiative to sell sugar in various important areas of Dhaka, including Motijheel, Zero Point, Secretariat, New Market, Azimpur, and Karwan Bazar from yesterday.

Mill owners said the country's annual demand for sugar is 25 lakh tonnes but domestic production can cater to just 1 lakh tonnes while the rest comes from abroad.

The government collected revenue of Tk 3750.40 crore in fiscal 2020-21 and Tk 4983.22 crore in fiscal 2021-22 from the import of refined and unrefined sugar, the BTTC report said.

According to data of the National Board of Revenue, 90-95 percent of imported sugar is unrefined.

Mill owners import unrefined sugar from Brazil, India, Australia, the UK and Malaysia before refining it and supplying it to local markets.

According to the refiners' association, about 18 lakh tonnes of unrefined sugar have been imported so far this year.

The BTTC report also said there is no problem in the supply of edible oil considering the current reserves and pipeline situation.

Crude soybean oil and palm oil reserves currently stand at about 4.96 lakh while a further 2.3 million is awaiting import in the pipeline.

The country has 2.36 lakh tonnes of soybean seeds in stock and considering the local reserves and pipeline, it is possible to meet the country's demand of more than 4 months with this oil, it added.

In the last six months, rice and wheat imports declined by 10.52 lakh tonnes and 14.11 lakh tonnes respectively compared to the same period in 2021.

This shortage in supply is expected to have a negative impact on the wheat flour and rice market.

Onion imports were partially lower at the same time but there will not be a crisis in the market as local production is high.

In addition, the import of lentils is satisfactory, the BTTC report said.

Agri insurance still elusive

FROM PAGE B1

According to Hoque, there is a business case for agriculture insurance in Bangladesh.

"Farmers are looking for resilience support and it is our responsibility to take effective insurance models to them with proper understanding of their requirements," he said.

Under the project, Brac provided coverage to 966 farmers in 2021 when it launched the scheme. The number of farmers under the coverage has grown to 1,093 this year.

The NGO plans to expand crop insurance benefits to rice, potato and vegetables through up to 50 of its branches soon.

"We will continue with our own capacity, if needed," said Hoque.

He, however, added: "It is important to build long-term partnership and embrace initial losses, learn from mistakes and innovate for the sustainability of an agriculture insurance."

Hoque said there should be investment in capacity development for pricing, developing a proper training institute, attracting young generation and investing in them, and adopting most advanced technology for a climate-insurance scheme in the long-run.

GDIC has so far supported 600,000 farmers since 2015.

It settled claims worth nearly Tk 8 crore for 100,000 plus farmers this year alone, said Md Maruf Hossain, deputy vice-president for impact business team of the private insurer.

"We are giving up to 100 per cent coverage depending on risk factors," he said. GDIC plans to launch fisheries insurance next year.

Maruf, however, said there is no insurance for farmers who suffer losses for crop damages because of cyclones.

The bottleneck behind introducing insurance schemes to reduce the losses of farmers is inadequacy of data of cyclone and its impact in the past years.

GDIC has developed the weather-based index based on 40 years' weather data.

A senior official of SBC said the crop insurance is beneficial for farmers but the premium amount becomes high if weather and other data have to be purchased for analysis and product development.

"There is an issue of affordability of farmers," he said, calling for the government's intervention, subsidy and participation of the agriculture ministry.

Insiders say the government should prepare a guideline for the agriculture insurance by involving all stakeholders.

At the same, the National Board of Revenue should waive value-added tax on premiums paid by farmers, with a view to encouraging crop, livestock and other agri-related insurance.

Ali Tareque Parvez, social finance fellow on inclusive insurance for Cambodia, Myanmar and Indonesia at the International Labour Organisation, said the private sector, especially insurance companies, should come forward.

"If they take initiative, the government's involvement will automatically come," he said.

He said there is a strong demand for microinsurance from marginal people.

"People are looking for such solutions but can't afford it completely on their own," Parvez said, adding that Bangladesh has a strong network of microfinance institutions, and NGOs that can be a catalyst in rolling out micro and agriculture insurances.

Mohammad Jainul Bari, chairman of the Insurance Development Regulatory Authority, said the regulator is encouraging other companies too to introduce agriculture insurance.

Commenting on insurance for farmers suffering crop and other losses for cyclones, he said a study is needed to assess the intensity of risks.

"Based on that, companies will decide whether they will offer the insurance or not. People should come forward."

Farmers Hossain and Rakkhit don't understand the complexity standing in the way of the crop insurance. They, however, realise that the availability of insurance will provide them much-needed cushion from losses inflicted by cyclone-induced damages.

DSE initiates exit process

FROM PAGE B1

Hill Plantation, Jessore Cement, M Hossain Garments Washing & Dying, Maq Enterprise, Maq Paper Industries, Phoenix Leather Complex, The Engineers, Tulip Dairy, Padma Printers, Bangladesh Plantation, and Khaza Mosaic Tiles and Stones are also among the companies.

Other companies that are going to make the exit are National Oxygen, Paragon Leather, GEM Knitwear, GMG Industrial Corporation, JH Chemical, Meghna Vegetable Oil, Mark Bangladesh Shilpa & Engineering, and Rupon Oil.

The BSEC has instructed the companies to sign agreements with the stock exchanges of the country to begin the procedure for the exit.

Jessore Cement and Arbee Textiles yesterday signed agreements with the DSE yesterday.

"We have just begun the exit procedure," said M Shaifur Rahman Mazumdar, acting managing director of the bourse, at the deal signing ceremony.

He described the BSEC move as a laudable step since these companies are either closed, incurring losses, or have not given dividends for years.

"Investors who own shares of these companies are not getting any dividend and they can't even sell shares in absence of buyers. The BSEC move will benefit investors," he said.

According to a directive of the Bangladesh Securities and Exchange Commission, 29 companies have been selected for the exit

For the exit plan to go ahead, a company must appoint an offeror or a concert party, who makes the offer to buy shares from the shareholders, according to the BSEC directive.

The offeror means the sponsor or promoter of the company while the concert party refers to an existing shareholder, a proposed shareholder, or a non-listed company with a majority owned by the sponsors and directors.

The offer price to buy securities under the exit plan will be the face value, the issue price at the time of the initial public offering (IPO), the last trading price, the net asset value per share as per the last audited financial statement, or the volume weighted average price for one year immediately preceding the date of the suspension of trade or the date of delisting, or whichever is higher.

An official of the BSEC says the regulator wants to ensure good governance in the market. The decision has been taken since some non-performing companies are giving no returns to investors.

"If these companies are delisted, investors will receive nothing and their funds will get stuck. But their exit will fetch a portion of their main investment."

Amid crisis, banks asked

FROM PAGE B1

Some banks are finding it difficult to secure export earnings from foreign buyers as they have not repaid the amount within the agreed period due to the ongoing business slowdown in the global market.

Earlier, many banks had not repaid the import bill on time, but the situation is completely different now.

Some exporters have either cancelled their export orders or put them on hold, deepening the dollar shortage, said the CEO.

"The central bank should consider the issue with prudence."

Foreign exchange reserves fell to $35.98 billion on October 19 in contrast to $46.19 billion a year ago, owing to higher import bills and lower export receipts and remittance flow.

The failure to settle import bills has sent the 'add confirmation charge' higher, according to a BB report.

The annual charge for confirming letters of credit (LC) is 2 to 3 per cent, a commercial banker said.

Confirmation fees are a security mechanism that eliminates risks for exporters. When exporters are not satisfied with the LC-issuing bank, mainly for the insolvency risks, political issues in the importing country or both, they may seek an additional guarantee for the LCs.

The confirmation is a definite and legal undertaking from the importer's bank to the exporter's bank.