

star BUSINESS

Number of people filing online tax return crosses 1 lakh

STAR BUSINESS REPORT

The number of people filing tax returns online crossed 100,000 yesterday amidst growing interest among taxpayers to comply with the rules of e-filing and avoid the hassles of visiting tax offices, according to the National Board of Revenue (NBR) yesterday.

The tax authority recorded the milestone on offering the scope since November last year, said Mohammad Jahid Hasan, member for tax information management & services of the NBR.

During last fiscal year, the NBR recorded over 61,000 tax return filings from individual taxpayers.

Taxpayers will be able to pay tax online through e-chalan or mobile financial services while preparing their income tax returns, he said.

Interest growing among taxpayers to comply with the rules of e-filing and avoid the hassles of visiting tax offices

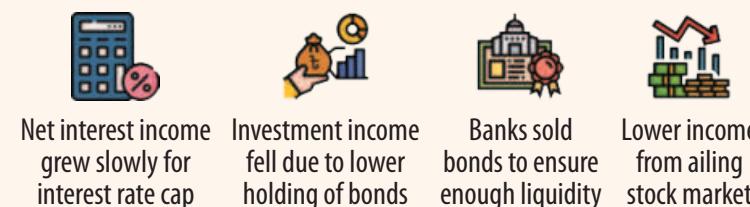
"Taxpayers will not need to visit tax offices to submit returns or go to the bank for depositing the taxes. They can do all the formalities online and get acknowledgement receipts instantly," he said, expecting that e-filing of returns would increase severalfold this year.

The tax authority launched the online tax return filing system in 2021 nearly a year after it decided to develop the system scrapping its initial portal, Bangladesh Integrated Tax Administration System (Bitax), on allegations that the initial system was not user-friendly and had failed to attain the desired goals.

Yesterday, the tax authority celebrated the milestone with its chairman, Abu Hena Md Rahmatul Muneem, cutting a cake along with top officials.

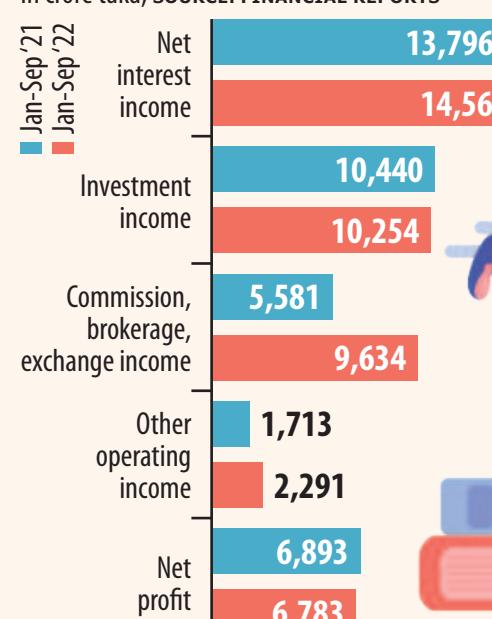
Bangladesh has more than 82 lakh registered taxpayers and around 25 lakh filed their income and wealth statements in fiscal year 2021-22 which is very low as according to analysts and taxmen, the number of people with taxable income is much higher in the country.

REASONS OF FALL IN PROFIT



Income and profits of banks

In crore taka; SOURCE: FINANCIAL REPORTS



SEGMENT-WISE GROWTH

Net interest income grew 5.6pc
Investment income dropped 1.8pc
Commission, brokerage and exchange income soared 72.6pc
Other operating income rose 33.7pc

BY THE NUMBERS

Number of listed banks: 31
18 saw profit growth
12 banks posted lower profits
1 incurred loss

FOREX VOLATILITY

BB injects \$6b into market so far this fiscal year

AKM ZAMIR UDDIN

The amount of US dollar injected into the market so far by Bangladesh Bank has surpassed \$6 billion in the current fiscal year, creating further pressure on the country's foreign exchange reserves that are now depleting fast.

Bangladesh Bank supplied dollars to the market to the tune of \$6.03 billion between July 1 and November 23 in order to help lenders clear import bills.

The central bank injected a record \$7.62 billion last fiscal year with a view to keeping the exchange rate stable.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said the central bank should reduce its dollar injection into the market to prevent further declines of the reserves.



This, however, will put further pressure on the exchange rate of the dollar against the local currency, he said, adding that there was no other scope but to do so.

"If the foreign exchange reserves get depleted more, the uncertainties faced by the economy will widen in the days ahead," he said.

The reserves yesterday stood at \$34.10 billion in contrast to \$45 billion in November last year, showed data from the BB.

International Monetary Fund (IMF), however, said the country's actual foreign exchange reserves now stand at around \$27.5 billion considering its investment in export development funds and some other areas.

Mansur said the country may manage loans from the IMF in February while the World Bank may provide the fund in the next June-July period, meaning that the country has still a long way to go.

But the reserves are now losing \$1.2 billion to \$1.3 billion each month, which is why there is no

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Banks thrive on fees but core business suffers

AHSAN HABIB

Most of the listed banks in Bangladesh logged higher profits in the January to September period of 2022 on the back of increased incomes from commissions and fees whereas their core business suffered from the slowdown in the economy.

Despite a lower turnover in the stock market owing to the Russia-Ukraine war-induced uncertainty, banks collectively posted more than 72 per cent rise in incomes through commission and fees after their revenue rose for the surge in the US dollar price against the taka.

The local foreign exchange market turned volatile after the shortage of the American greenback hit the country following the unprecedented jump in import bills fuelled by the conflict.

Of the 31 banks listed on the Dhaka Stock Exchange (DSE), 18 logged higher profits and 11 saw lower profits in the first nine months this year. One incurred loss.

Whether they made higher profits or not, 29 lenders clocked higher incomes from their commission and fee business. The income from the segment



doubled for 11 banks and rocketed more than 50 per cent for 13 others.

"Due to the interest rate cap of 9 per cent on loans, banks' interest income was low," said Anis A Khan, a former chairman of the Association of Bankers,

businesses rose in the first six months of 2022 since the opening of letters of credit (LCs) was higher.

As the dollar shortage deepened and the government tightened imports to save the foreign currency reserves, the LC

The higher income came although daily average turnover on the DSE fell more than 33 per cent to Tk 1,042 crore in the nine months to September. It was Tk 1,561 crore in the same period a year prior, DSE data showed.

Though the commission, brokerage and exchange income of banks rose, the net interest income, the biggest source of revenue, grew at a slower pace, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

"This is not a good sign for the banking sector."

Banks' combined net interest income rose 5.6 per cent year-on-year to Tk 14,564 crore in the first nine months of 2022. The collective net interest income rose 33 per cent to Tk 13,796 crore.

The collective net profits of the banks, however, dropped 1.6 per cent to Tk 6,783 crore.

Rahman said banks' bond-holding reduced in the nine-month period as many lenders tried to keep a higher liquidity. "As a result, their investment income dropped."

Investment income fell 1.8 per cent to Tk 10,254 crore in January-September.

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Bangladesh.

Loans and advance growth of the banking sector stood at 14.3 per cent as of June of 2022, according to the central bank.

As per a central bank instruction aimed at supporting the economy, accelerating industrialisation and keeping the cost of funds lower for borrowers, banks have maintained the 9 per cent interest rate on all loans except for credit cards since April 2020.

Their receipts from commissions and fees under the brokerage and exchange

opening fell in the third quarter of 2022.

"But banks earned a huge amount from their foreign exchange business," said Khan.

In the segment, banks get fees and commissions from LC opening and securities trading and services and foreign currency trading.

The listed banks earned Tk 9,634 crore in the segment from January to September, way higher from Tk 5,581 crore a year earlier, according to their financial reports.

STOCKS	
DSEX ▼	CASPI ▼
0.36% 6,207.72	0.41% 18,340.60

COMMODITIES	
Gold ▼ \$1,738.9 (per ounce)	Oil ▼ \$79.35 (per barrel)

ASIAN MARKETS			
MUMBAI ▲ 0.15% 61,510.58	TOKYO ▲ 0.61% 28,115.74	SINGAPORE ▼ 0.11% 3,255.99	SHANGHAI ▲ 0.26% 3,096.91



Rice being sold at a subsidised rate of Tk 30 per kilogramme from a truck under the government's open market sale initiative at the Mohammadpur bus stand in the capital on Monday. Sales of rice and wheat flour through the initiative have declined 25 per cent year-on-year to 2.71 lakh tonnes in the first four months of the current fiscal year, according to the food ministry.

PHOTO: PRABIR DAS

Extensive social protection scheme needed immediately

Says Sanem Executive Director Selim Raihan

JAGARAN CHAKMA

The government should expand social safety net programmes immediately to support the people reeling under escalated food prices, said Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem).

"We need an extensive social protection programme for the families and households facing food insecurity," he said.

Food prices in Bangladesh have risen in recent months because of the surge in import costs and input prices driven by the Russia-Ukraine war and supply disruptions.

Food inflation hit a record high of 9.94 per cent in August, almost double the level recorded in the same month a year earlier, dealing a blow to the poor and the low-income groups.

It fell to 9.08 per cent in September and 8.50 per cent in October, data from the Bangladesh Bureau of Statistics (BBS) showed.

Prof Raihan, however, said inflation is underestimated since the BBS still uses the

2004-2005 data to calculate consumer prices.

The professor of the economics department at the University of Dhaka identified high inflation and food insecurity as major challenges for low-income groups.

"There is serious targeting error in the social protection programmes of Bangladesh. Those who are not supposed to receive it are getting the assistance whereas those who need it the most are not getting it."

"The amount of support is low and the coverage is low as well. We will have to give special attention in this area," he said during an interview with The Daily Star.

Speaking about food security, he said there is a scope to work using scientific methods in a bid to estimate food availability with a view to finding out the actual production and the import requirements as well as the actual demand.

"If there is a problem in the estimation of supply and demand, there will be a problem in policy choices."

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