



An official of the National Board of Revenue provides suggestions to a service seeker at a makeshift booth meant to receive income tax returns for 2022-23. The photo was taken yesterday. PHOTO: AMRAN HOSSAIN

Tax return filing fails to keep pace with growing economy

SUKANTA HALDER

The number of registered taxpayers is gradually increasing in Bangladesh but return submission is low relative to the size and growth of the economy, which has expanded significantly in the past decade.

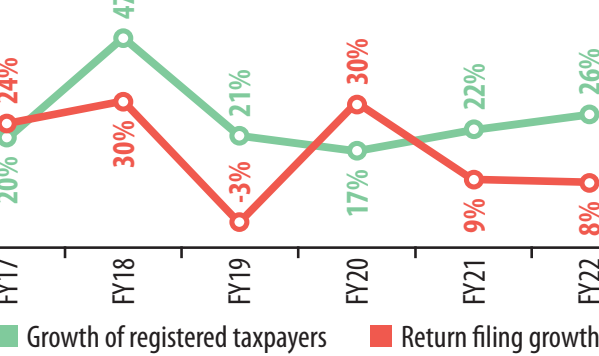
According to data from the National Board of Revenue (NBR), the number of registered taxpayers stood at 16.51 lakh in fiscal 2015-16, when some 10.92 lakh submitted returns.

The number then sprinted to 63.74 lakh in fiscal 2021-22, reaching the highest in South Asia after India. Of them, 25.90 lakh submitted returns that year.

Between July 1 and November 29 this year, the tax authorities received 22 lakh tax

Growth of registered taxpayers and return filing

in % SOURCE: NBR



returns, up 46 per cent from 15.5 lakh during the same period a year ago.

But the rate of taxpayers in a country of 17 crore people is just over 4 per cent, a figure that creates doubts about the efficacy of the tax authorities.

Bangladesh has one of the lowest tax-to-GDP ratios in the world even though it posted higher economic growth in the last decade, maintaining an average annual GDP expansion of 6.4 per cent.

The economy even displayed resilience amid the coronavirus pandemic, when most economies in the world had contracted.

The lower revenue generation persists even though Bangladesh, driven by a rapidly expanding middle and

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TAX RETURN SUBMISSION NBR extends deadline to Dec 31

STAR BUSINESS REPORT

The National Board of Revenue (NBR) yesterday extended the deadline for submitting income tax returns to December 31 in order to enable individual taxpayers to comply with the rules.

The disclosure came on the final day for filing tax returns, also termed "Tax Day", amid demands from various quarters.

The Federation of Bangladesh Chambers of Commerce and Industry on November 29 urged the NBR for this extension, citing that many had been unable to make submissions due to difficulties arising from the recent economic downturn.

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Forex reserves fall below \$34b

STAR BUSINESS REPORT

Bangladesh's foreign currency reserves slipped below \$34 billion yesterday after the central bank sold \$71 million on the interbank market to help banks clear import bills, said a Bangladesh Bank official.

After the sale, the reserves came to stand at \$33.86 billion.

Since July 2022, the central bank has sold around \$6 billion on the interbank market to contain the volatility amidst a shortage of the US dollar as import payments ended up being higher than export earnings and remittance inflow.

Exports edged up only 7 per cent year-on-year to \$16.85 billion in the July-October period of 2022-23, according to the Export Promotion Bureau.

Remittances increased 2 per cent year-on-year to \$7.19 billion in the four months to October.

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Investors staying away from banking stocks

AHSAN HABIB

Once one of the most sought-after securities, banking stocks in Bangladesh are now struggling as investors have stayed away from them for the last couple of months due to a lack of trust in their financial reports, escalating non-performing loans and alleged irregularities.

Just two years back, banking stocks regularly accounted for more

than 10 per cent of the market's total turnover of the Dhaka Stock Exchange (DSE). It has now dropped to around 3 per cent.

The overall stock market has been gloomy for several months because of the global economic uncertainty, higher inflation and the volatility in the foreign exchange market.

"Now banking stocks are facing the worst and are unable to attract investors," said a top official of an

asset management company.

"Investors think that the quality of assets of most banks is poor."

So, the stocks of seven banks out of 32 lenders listed on the DSE are trading below their face value.

The asset manager cited alleged irregularities, the higher bad loans in the banking sector and capital and provision shortfalls as major concerns spooking the confidence of investors.

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