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NBR to engage agents to help people file tax returns

SOHEL PARVEZ
The tax authority, for the first time, is going to engage individuals to help new taxpayers file tax return in a bid to increase compliance and narrow the gap between registered taxpayers and regular return filers.

As planned, the National Board of Revenue (NBR) will provide an incentive to individuals, to be named "Tax Return Preparers (TRPs)", to help it expand the number of tax return filers, which was 36 per cent of the total Taxpayers Identification Number (TIN) holders at 88 lakh as of April this year.

Already it has drafted a rule regarding engaging the TRPs mentioning the rate of incentive.

"We are going to engage the TRPs as it is tough for us to find new tax return filers in suburbs and rural areas with our existing human

The National Board of Revenue will provide an incentive to individuals, to be named Tax Return Preparers, to help it expand the number of tax return filers.

resource strength. The TRPs will be instrumental in this regard," said a senior official of the NBR.

If they can bring new taxpayers in the return filing, they will get a commission from the NBR on the tax paid by the taxpayers, he said, adding that there were practices of the TRPs in the US and Australia.

According to the plan, the NBR will offer a 10 per cent incentive on the minimum tax to be paid by the first-time tax return filers.

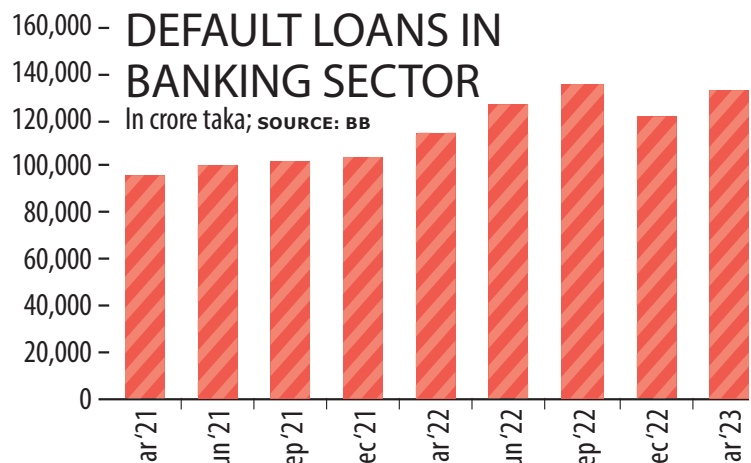
The tax authority will provide a two per cent incentive on the next Tk 15,000 tax and one per cent for next Tk 50,000 of tax.

The rate of incentive will be 0.5 per cent on the remaining of amount tax to be paid by taxpayers. This will be valid for the first three years, according to a draft rule.

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WHY DEFAULT LOANS ARE INCREASING

- Lack of corporate governance
- Withdrawal of relaxed policy for loan repayment
- Business slowdown
- Stress in macroeconomy
- Fall in global demand for local products



Willful defaulters should be identified and brought to book to contain non-performing loans.

MUSTAFAZUR RAHMAN
A distinguished fellow at CPD

WHAT THE BANKING SECTOR SHOULD DO

- Disburse loans cautiously
- Reveal the willful defaulters
- Step up monitoring of banks
- Take initiatives to address macroeconomic challenges

Tk 10,964cr loans turn sour in 3 months

Overall NPL rises to Tk 131,621cr in March

AKM ZAMIR UDDIN

Banks in Bangladesh witnessed an accumulation of default loans by Tk 10,964 crore in the first three months of 2023, highlighting the financial health of the banking sector, official figures showed.

Non-performing loans stood at Tk 131,621 crore as of March 31, up 9 per cent from three months ago and 16 per cent from a year earlier, data from the Bangladesh Bank showed.

The latest NPL figure is the second-highest in the banking sector's history and was just behind the Tk 134,396 crore reported in the July-September quarter of 2022.

A persisting lack of corporate governance, the withdrawal of the relaxed loan repayment policy, the current business slowdown, and the

fall in global demand for Bangladeshi goods are among the major factors that drove up the NPLs.

In March, the NPL ratio accounted for 8.8 per cent of the outstanding loans of Tk



14,96,346 crore in the banking system. It was 8.16 per cent in December and 8.53 per cent in March last year.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, says many industries are facing power outages and gas shortages, so they can't operate at the optimum level. This means they would not be able to pay back loans.

The central bank stopped the regulatory forbearance, which allowed borrowers to enjoy a relaxed loan repayment facility from 2020 to 2022, a development that has played a role in the rise in the NPLs, he said.

Some banks are still facing a shortage of US dollars, meaning borrowers have been unable to open letters of credit needed to buy goods, inputs and machinery from the international markets. This has put an adverse impact on businesses and industries.

Persisting higher inflation in many developed nations has also eroded the purchasing power of their citizens. Under the circumstances, international buyers have either cancelled orders or postponed the shipment of goods.

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Stock of unsold yarn piles up as demand drops

REFAYET ULLAH MIRDHA

Stocks of unsold yarn of local millers have grown to over one million tonnes over the past five months or so for a drop in demand for garments from the domestic and international consumers.

The local market demand for garments has dropped by about 30 per cent while work orders from international clothing retailers and brands by around the same rate.

Moreover, export-oriented local weavers and knitters are not buying yarn they had booked with spinning mills around 15 months ago between \$4.10 and \$4.30 per kilogramme (kg). Instead, they are opting for imported cotton yarn as it is a bit cheaper than the around \$3.10 local spinners are now charging for per kg of yarn.

Bangladesh Textile Mills Association (BTMA), the primary textile sector's platform, sent a letter to the National Board of Revenue on May 23 requesting monitoring major yarn sales areas to discourage illegal trade.

It also sent letters to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) requesting buying local yarn.

Moreover, the BTMA is going to hold a press conference on the issue tomorrow.

Over 300 spinning mills which cater to the domestic markets are

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National BUDGET FY2023-24

Sustaining dev, curbing inequality major challenges

Planning minister tells The Daily Star

REJAUL KARIM BYRON and AHSAN HABIB

Sustaining the development that has taken place in Bangladesh in the past 14 years and curbing inequality are key major challenges facing the economy owing to the fallout of the coronavirus pandemic and the Russia-Ukraine war, said Planning Minister MA Mannan.

He said the economy always faces some challenges. Even regulated and stable economies experience pressure.

"Our challenge is to make the visible development that has taken place in the last 14 years sustainable," he said, during an interview with The Daily Star at its office in the capital recently.

Bringing the 100 per cent population under the electricity network, expanding access to education and developing physical infrastructure are among the attainments cited by the minister.

A former Civil Service of Pakistan cadre, Mannan served the government of Bangladesh in various positions after the country's independence.

He retired from government service in 2003 as the chairman of the Bangladesh Small & Cottage Industries Corporation, joined Bangladesh Awami League in 2005 and has been elected as a lawmaker three times since then.

According to Mannan, governments in the past used to provide subsidies to seeds and fertiliser alone. The Awami League government included farm machinery in the subsidy programme, thus raising production and cutting productivity loss.

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STOCKS	
DSEX ▲	CASPI ▲
0.22% 6,339.88	0.25% 18,685.32

COMMODITIES		AS OF FRIDAY
Gold ▲	Oil ▲	
\$1,946.67 (per ounce)	\$72.85 (per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 1.02% 62,501.69	▲ 0.37% 30,916.31	▼ 0.33% 3,207.39	▲ 0.35% 3,212.50	

Mobile makers in battle for survival

Seek long-term policy support as they suffer from LC opening crisis, sales drop

MAHMUDUL HASAN

The country's mobile manufacturing industry is fighting a battle for survival due to difficulties in opening adequate letters of credit (LCs), a massive drop in sales and expansion of the grey market, said a leader of the industry's association.

"There was a spate of blows in 2022 for the industry," Rizwanul Haque, vice president of the Mobile Phone Industry Owners' Association of Bangladesh, told the Daily Star in an interview.

"Insufficient dollars made it difficult to open adequate LCs, leading to a curb in manufacturing," he said.

"Mobile sales have dropped drastically due to the economic downturn for people. Handset sales dropped by over 40 per cent year-on-year in the first quarter of 2023," he said.

These two reasons have turned handsets costlier and the grey market has seen a massive growth in market share from 20 per cent to 50 per cent in recent times, he said.

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Rizwanul Haque



A trader is seen selling mango near the Jatiya Press Club in Dhaka yesterday. Those who enjoy the refreshing summer fruit are overjoyed with the current prices, which go as low as Tk 50 per kilogramme depending on the variety.

PHOTO: PRABIR DA

Kazi Badam to invest \$17.22m in Bepza EZ

STAR BUSINESS REPORT

Kazi Badam Ltd, a concern of Kazi Farms Group, will set up a factory to process cashew nut in Bepza Economic Zone inside Bangabandhu Sheikh Mujib Shilpa Nagar, Chattogram.

The company will invest \$17.22 million to produce 13,050 tonnes of cashew nut kernel and cashew nut shell liquid a year, according to a press release of Bangladesh Export Processing Zones Authority (Bepza).

This would be the first agro-based industry at Bepza Economic Zone.

Ali Reza Mazid, member for investment promotion at Bepza, and Kazi Zahedul Hasan, chairman of Kazi Badam Ltd, signed a deal at Bepza Complex in Dhaka yesterday when Abul Kalam Mohammad Ziaur Rahman, Bepza executive chairman, was also present.