

## Help us get back laundered money

CA asks UK envoy; meets Japanese ambassador

DIPLMATIC CORRESPONDENT

Chief Adviser Prof Muhammad Yunus yesterday sought UK support as Bangladesh wants to bring back the money laundered abroad over the years.

He sought the cooperation when British High Commissioner to Bangladesh Sarah Cooke called on him at his office in State Guesthouse Jamuna, said Chief Adviser's Press Secretary Shafiqul Alam at a briefing at the Foreign Service Academy.

"The high commissioner assured him [Prof Yunus] of looking into it."

In a statement, the UK high commission said Prof Yunus and Sarah Cooke discussed how the UK government can support the interim government, as it charts a new inclusive and democratic future for Bangladesh.

"Discussions also covered the importance of youth engagement to navigate the challenges that lie ahead," said the statement.

It said the UK is a longstanding partner and friend of Bangladesh and the two countries share a strong and enduring relationship, solidified by their deep people-to-people links and shared Commonwealth values.

Earlier in the day, during a call on by Japanese Ambassador Iwama Kiminori, Prof Yunus sought Japan's financial assistance to reconstruct and rebuild the country.

The chief adviser mentioned that huge funding will be required for this, said Shafiqul, reports UNB.

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British High Commissioner Sarah Cooke calls on Chief Adviser Prof Muhammad Yunus at state guest house Jamuna yesterday.

PHOTO: PTD

## Islami Bank

FROM PAGE 1 according to central bank officials with knowledge of the matter.

Documents pieced together by The Daily Star show that most of the loans were taken by bypassing banking rules and regulations, in a testament to how the Chattogram-based conglomerate exerted its influence on the country's banking sector.

Founded in 1985 by Alam, a relative of former Awami League politician Akhtaruzzaman Chowdhury Babu and former Land Minister Saifuzzaman Chowdhury, S Alam Group has grown into one of the largest conglomerates in Bangladesh.

The amount given to S Alam and its associate companies has left the bank with a deficit in its current account balance with the central bank for more than a year.

To plug the deficit, the central bank provided special liquidity support to the lender without any collateral on the orders of former BB governor Abdur Rouf Talukder.

The liquidity support was stopped after Mansur took charge last week.

Islami Bank started its banking activities in 1983 with 71.50 percent capital from Middle-eastern investors and 28.50 percent from local investors.

Until 2015, S Alam Group had no stake in the bank. In 2016, the business group started buying the bank's shares through seven shadow companies, documents show.

After taking charge in 2017, S Alam Group appointed 7,240 employees-officials violating the rules and regulations. Most of them hailed from Alam's hometown of Patiya in Chattogram.

A day after the fall of the Sheikh Hasina government, a group of officials and staff of the Shariah-based bank started a demonstration at the bank's head office demanding the resignation of S Alam-appointed employees.

On August 11, a clash broke out between the two factions resulting in gunfire that left six injured.

Later on August 19, the bank terminated the contracts of eight top officials - including an additional managing director and deputy managing director - who were considered close allies of S Alam Group.

## 3m stranded

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not occur since 1988.

He said floodwater entered almost every house in Parshuram, Fulgazi, and Chhagalnaiya upazilas.

In Noakhali, the flood situation deteriorated yesterday due to incessant rains and tidal surges.

Flooding has left over 1.9 million people stranded in eight upazilas, including Kabirhat, Senbagh, Companiganj and Begumganj, and several municipalities, said Dewan Mahbubur Rahman, deputy commissioner of Noakhali.

Among them are over one lakh people in the municipalities.

In Cumilla, the Gumti and the Muhuri swelled yesterday, thanks to incessant rain and the opening of a sluice gate at the Dumber Lake in Tripura, India. The flooding has affected over 50,000 people.

Floods have hit Adarsha Sadar, Burichang, Brahmanpara, Debidwar, and Muradnagar upazilas, according to the Water Development Board.

The death toll from floods caused by incessant rains and landslides has risen to eight in Tripura, according to Indian media reports.

In Brahmanbaria, the Akhaura land port went under water due to onrush of water from upstream in Indian's Tripura. At least 15 villages near the port have been affected by floods, leaving around 3,000 people stranded.

Traffic on the Akhaura-Agartala road was suspended yesterday morning after a Bailey bridge over the Kalundi canal collapsed.

In Akhaura upazila, a pregnant woman died after being swept away by floodwater.

The deceased was identified as Subarna Akhter, a resident of Birchandrapur village, said Lutfur Rahman, resident medical officer of Akhaura Upazila Health Complex.

Quoting locals, Jalal Uddin, chairman of Akhaura Dakkhin Union Parishad, said the onrush of water from Tripura broke the dam of Howrah river yesterday morning, inundating at least 15 nearby villages, including Birchandrapur.

As the floodwater suddenly entered Subarna's house, she tried to leave the house hurriedly to save herself, and fell into the strong current, he said.

As she was pregnant, she failed to swim ashore, he added.

The overall flood situation in Habiganj and Moulvibazar worsened yesterday as the Khowai, the Kushiara, the Manu, the Dhala, and the Juri were overflowing at many points.

More than 80,000 people were stranded as 208 villages in Moulvibazar went under water.

The flood situation in Chattogram's Fatikchhari upazila and its nearby areas deteriorated yesterday due to incessant rain. The Halda was flowing above the danger level.

A part of a dyke at the mouth of Shikder canal in Sitakunda upazila's Banshabaria area was damaged yesterday.

"A portion of the dyke was damaged due to onrush of water from upstream," said SM Tarek, sub divisional engineer of the Water Development Board.

The interim government has taken adequate preparation to tackle the floods in the country.

"We have adequate preparation," Chief Adviser's Press Secretary Shafiqul Alam told reporters yesterday.

Briefing reporters at the Secretariat yesterday afternoon, KM Ali Reza, additional secretary of the disaster management and relief ministry, expressed concern that more areas may be flooded in the next few days.

He said they have already sent relief materials and dry food to the affected districts.

"The local administration is working in coordination with the deputy commissioners of the flood-affected districts, the coordinators of the Anti-Discrimination Student Movement, the army and volunteers," he added.

## BB appoints administrator at Nagad

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decision like appointing an administrator. We believe this will be a significant step forward in the country's cashless journey."

Earlier, the government had also appointed administrators to several major institutions of the country's financial sector, including some banks and top mobile operators, Mishuk said.

"We think that the decision of Bangladesh Bank will stop the conspiracy of a circle of people against Nagad. Nagad believes it will remain on top in providing service to customers as it was in the past five years," he added.

Nagad, which entered the market back in March 2019 as the digital financial services arm of the Bangladesh Post Office (BPO), is still running on a temporary licence from the BB.

In June, the central bank extended the tenure of its temporary licence for the seventh time. The licence will expire in June next year.

The post office, however, does not have any ownership of Nagad and only gets a share of Nagad's revenue, documents show.

"We used to know that Nagad is a digital financial service provider of the Bangladesh Post Office and the central bank issued an interim licence to the Directorate of Posts to run the MFS," said BB spokesman Md Mezbaul Haque.

The central bank extended the deadline for Nagad to transition into a company in accordance with regulatory requirements to operate as an MFS, Haque said.

"But it has not been able to do it yet despite getting the extended time. We heard that the Directorate of Posts has a profit sharing agreement with a company named Third Wave Technologies. But they have yet to send the details of the agreement," he added.

Third Wave Technologies, which is owned by Mishuk, was later renamed as 'Nagad Ltd'.

Mishuk maintains that Nagad Ltd has a revenue-sharing agreement with BPO, under which BPO receives 51

percent of revenue. Nagad has provided Tk 14.60 crore as revenue share to BPO.

"This partnership has been instrumental in extending our services to a wider population across Bangladesh, particularly in remote and underserved areas," he added.

The central bank though has been accommodating to Nagad all along.

For instance, in February 2022, the central bank issued a new MFS regulation 'Bangladesh Mobile Financial Services Regulations, 2022' replacing the Bangladesh MFS Regulations, 2018 issued in July 2018.

The new regulation allowed non-bank financial institutions (NBFIs) and government entities, alongside banks, to run MFS. Previously, only banks could run MFS services, which made Nagad ineligible for a full-fledged licence.

A month later, Nagad Ltd applied to the BB for an NBF licence. A year later, the BB issued an NBF licence for Nagad Finance, removing any licensing ambiguities for Nagad's MFS operations.

However, Nagad surrendered the NBF licence less than three months later as its backers manoeuvred to gain regulatory legitimacy by way of a digital bank licence.

In June last year, the central bank invited applications for digital bank licences.

The BB got 52 applications and but only two got the licence: Nagad and Kori.

Nagad also got preferential treatment from various other ministries during the Awami League regime, which helped boost its customer base.

For example, the government's stipend for secondary and higher secondary students was initially distributed through payment methods such as bKash, Nagad, Rocket and various banks chosen by the beneficiaries.

However, in January 2024, without following any tender or competitive process, the Secondary and Higher Education Division of the Education

Ministry issued a directive granting Nagad exclusive rights to disburse the stipends.

At that time, 5.4 million beneficiaries were receiving stipends through their preferred channels, with Nagad serving only 20 lakhs. However, the division stated that the remaining 34 lakh beneficiaries would have to convert their MFS accounts to Nagad.

In the directive's headline, the division mentioned that it has approved the disbursement of stipends through Nagad, which had 'signed a deal' with BPO.

Despite this, Nagad failed to disburse the stipends properly and was given multiple time extensions until the end of June.

Eventually, the government directed that the stipends for 19 lakh beneficiaries be disbursed through other MFS providers out of the current 65 lakh beneficiaries.

Meanwhile, the Bangladesh Securities and Exchange Commission (BSEC) in 2021 found some anomalies when Nagad applied to raise capital through zero-coupon bonds.

The company's liability for digital money increased unexpectedly from Tk 447.1 crore in June 2020 to Tk 858 crore in April 2021. At that time, Nagad's losses stood at Tk 147.6 crore while its paid-up capital was Tk 3.5 crore, as per its audited financial statements as of April 30 that year.

The BSEC report said that the company's main function is providing mobile financial services but as per the submitted memorandum of articles and the articles of association, it is not clear whether the company can provide MFS or can act as a payment services provider.

"There were few clarifications requested by the BSEC and we have provided those clarifications and it was fully convinced with those clarifications," Mishuk said, adding that Nagad adheres strictly to all regulatory guidelines and maintains robust financial controls to ensure accuracy and compliance in all our operations.

## Papon's exit a signal of new era?

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Faruque began his tenure yesterday with a huge task ahead, as the country's premier sport has struggled to progress in the right direction during Papon's tenure.

Bangladesh saw some sporadic success since he took charge in 2012, and he was credited with uncovering the darkest chapters of the country's sporting history, such as the franchise-based Bangladesh Premier League (BPL) match-fixing scandal in 2013.

However, under his leadership, domestic cricket lost its charm and credibility, and alleged corruption further hindered the game's progress.

Papon was elected board president three times, but these elections were marred by fraud and manipulation, with no competition due to the interference of his supporters who manipulated the process to ensure their own councillorship. As a result, the board was filled with 'yes-men' who came through the influence of Papon's allies.

Over time, competitiveness in domestic leagues evaporated due to manipulation by the core group in the board. On the other hand, the first-class tournaments were far from competitive, resembling 'picnic cricket'.

Also, the cash-rich BPL, the lone domestic T20 competition, gradually lost its credibility, which adversely affected the national team's development. Moreover, BCB had never been transparent about the BPL's financial issues.

While Papon had repeatedly

promised after every election to implement the long-desired regional cricket associations to decentralise the game, he failed to execute these plans.

He apparently focused all his efforts on interfering with national team issues, where the new president was also a victim, while his selected group allegedly dealt with all corruption matters.

There was no accountability or transparency in the functioning of the board, which was essentially a one-man show. Under these circumstances, everyone will be watching to see whether Faruque can reform the board's activities.

There have been widespread allegations of corruption within the board, and Faruque's first duty will be to take proper measures to uncover the truth.

The new BCB boss will need to focus on domestic cricket if he wants to set things on the right track. He must create an environment where genuine organisers feel comfortable.

Faruque was most successful as a chief selector, but he is now embarking on a much bigger role. He must ensure that the right people are in the right positions and that every committee can perform its duties with freedom.

It's worth remembering that despite the presence of a number of former cricketers at BCB, their presence made hardly any difference to the progress of the game in the country.

Can Faruque make a difference now, with reform being the buzzword in the country following a historic student-led mass protest?

## White paper

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concentrate on domestic resource collection, public expenditure (public investment, annual development programme, subsidies and debt), and financing of budget deficit.

To get the picture of inflation and food management, it will analyse production, public procurement, and food distribution.

For understanding the challenges of external balance, the committee will focus on export, import, remittance, foreign direct investment, foreign exchange reserves, foreign finance flow and debt.

The panel will also delve into power demand, supply, pricing, costs and purchase agreements to get a clear idea of the problems in the energy and power sector.

Regarding private investment, it will focus on access to credit, electricity, connectivity, and logistics. It will also emphasise on employment at home and overseas, formal and informal wages, and youth employment issues.

The committee members will work

for free. The committee will have its office at the Planning Commission and have secretarial support from the General Economic Division of the commission.

The chief adviser's office in the statement said the Hasina-led government left a loan burden of Tk 18,36,000 crore. The government borrowed from internal and external sources to meet its budget deficit without driving hard to raise tax collection.

Although the government's plan was to raise the tax-to-GDP ratio to 14 percent in the current fiscal year, it is now 8 percent. This is an example of economic mismanagement, it said.

In general, people are suffering mainly due to corruption, opportunity of capital flight, and syndication in the market.

Inflation was around 12 percent in July while food inflation was above 14 percent, according to the Bangladesh Bureau of Statistics.

The economy lost its path during the regime of the previous government, it added.

## Govt mulls over commission

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The steps come following the release of many victims of enforced disappearances from secret detention facilities, known as 'aynagarh'. Chilling details of the torture and inhuman living conditions are now emerging as the victims begin to speak about their distress.

The authorities under the Sheikh Hasina regime have for years denied the existence of such secret prisons.

On August 13, Chief Adviser Prof Muhammad Yunus met the activists of Mayer Daak, a platform of the families of victims. He expressed deep concern after hearing the accounts of the families.

"It is uncertain whether some of the victims are alive. Therefore, the government is working to draft the ordinance," said an official.

Mayer Daak coordinator Sanjida Islam Tuli told The Daily Star that the family members of victims are eagerly waiting for the government to form a commission.

She added that an adviser to the interim government assured them that the ordinance will be finalised soon.

Rights activist Nur Khan Liton lauded the step, adding, "We have to ensure the implementation of the legal framework."

"Different state agencies are behind

the enforced disappearances; it is the responsibility of the state to save the victims," he said, adding that state agencies must be transparent and accountable.

"Intelligence agencies are above accountability and they get indemnity. This must stop. There should be independent authorities to monitor them," he said.

Ratification of the international convention is also a major step because it will make "Bangladesh answerable to the international forum."

Constitution expert and Supreme Court lawyer Arif Khan said the cases of enforced disappearances could be dealt with the existing laws.

"Courts can take assistance from international laws if they feel it is necessary. We need a localised law in line with international conventions."

According to rights organisation Odhakar, at least 708 people were victims of enforced disappearances between 2009 and June 2024.

The US in December, 2021, imposed sanctions on Rab and seven of its top officers, over serious rights abuses.

It said Rab and other Bangladeshi law enforcement forces are responsible for more than 600 enforced disappearances since 2009 and nearly 600 extrajudicial killings since 2018.

## Red passports

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Asked about cancelling those passports, the senior secretary said, "As we are cancelling the diplomatic passports of the primary passport holders, automatically their family members' passports will also be scrapped."

"If anyone [holding a diplomatic passport] wants to take a new passport, the person has to surrender the diplomatic passport first and then an ordinary passport will be issued as per law," he added.

Home ministry sources said once the red passports are cancelled, former ministers, and MPs who have been accused in criminal cases or have been arrested may have to go through a legal process to get ordinary passports.

In that case, they can apply for a general passport only after getting a court order.

Along with the MPs, the officials of Bangladeshi missions abroad also get red passports. Those with red passports do not need a visa to travel abroad. They get a visa on arrival after landing in a particular country. Red passports or diplomatic passports are red in all countries.

Once the cancellation order is

issued, former MPs or ministers who are currently abroad have to surrender their red passports to the DIP office in the respective countries or after coming back to Bangladesh.

According to ministry sources, former prime minister Sheikh Hasina was a red passport holder. In the face of a mass uprising against her government, Hasina took refuge in India on August 5 after the fall of her government.

Several former ministers and MPs of the AL government have already been arrested. Some fled abroad before the fall of Hasina's government to avoid arrest.

However, there were no reports of anyone fleeing abroad after the fall.

Many former ministers and MPs are still hiding in the country, and law enforcement agencies are conducting drives to arrest them as over two dozen cases have already been filed against them.

According to the passport department, the ministers and MPs get diplomatic passports for five years of the tenure of parliament after the formation of a new government.

When the term of parliament ends, the validity of the passport also expires.