

# star BUSINESS

## Ex-BSEC chief attempted to eavesdrop on investors

STAR BUSINESS REPORT

The immediate past chairman of the stock market regulator had attempted to get government approval earlier this year to bring voice calls and internet data of stock market investors under surveillance.

Prof Shibli Rubayat-Ul Islam, the former chairman of the Bangladesh Securities and Exchange Commission (BSEC), had sent a letter to Financial Institutions Division under the finance ministry seeking to sign a memorandum of understanding (MoU) with National Telecommunication Monitoring Center (NTMC).

The NTMC is the state's communication interception and intelligence agency running under Public Security Division of the Ministry of Home Affairs.

Prof Shibli had resigned from the top post on August 10, five days past the fall of the Awami League government following a student-led uprising.

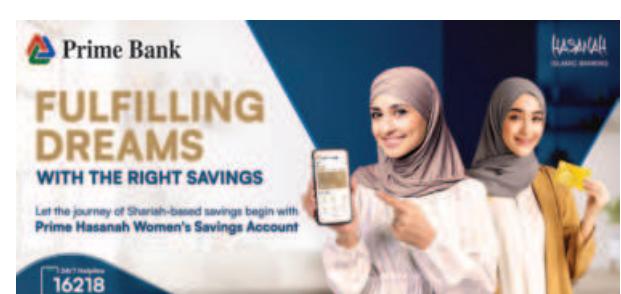
In the letter, he had reasoned that the surveillance was to catch stock market manipulators and traders with insider information.

Prof Shibli was adamant on running the surveillance,



Gazi Tyres, a concern of Gazi Group, saw its production unit in Narayanganj looted, vandalised, and set ablaze in two phases this month, reducing it to a pile of ashes and rubble. Miscreants first attacked from August 5-8 before renewing their barrage at the start of this week.

PHOTO: SAURAV HOSSAIN SIAM



a top BSEC official confirmed to The Daily Star yesterday seeking anonymity.

"So, he had taken the decision regarding signing an MoU with the NTMC at a commission meeting," said the official.

The MoU was supposed to state that the NTMC would start collecting various data of investors, excluding that related to securities, within seven working days of it being signed, said the official.

There will be no MoU without the Financial Institutions Division's approval, said the official, adding that the BSEC was now seriously looking into the matter to soon decide whether to continue to seek the approval.

"We are urgently looking into this matter," Khondoker Rashed Maqsood, the newly appointed BSEC chairman, told this newspaper.

Investors were surprised to hear about the surveillance attempt, with many criticising it as a breach of privacy.

Instead of surveillance, Bangladesh should take a cue from developed countries and first encourage stock market forecasting services of professional analysts, said Al Amin, a stock market analyst.

In the absence of such services, investors usually discuss among themselves to decide on their market activities, he said.

"If the BSEC goes for bringing investors under surveillance, there will be panic," added Amin, also an associate professor of the Department of Accounting & Information Systems at the University of Dhaka.

Secondly, the BSEC should use its software for detecting circular trading to identify market manipulators and then take decisive steps, said Amin.

The stock exchanges earlier informed of specific cases of manipulation but the stock market regulator hardly took any action, he said.

There is no guarantee that the market manipulators always plan their malpractices over voice calls or the internet, he added.

If the surveillance attempt follows through, it will be a breach of privacy because the regulator will be able to avail every conversation of stock investors, said Saiful Islam.

READ MORE ON B3

## Islami Bank to appoint 3 auditors to find out causes of irregularities

STAR BUSINESS REPORT

Islami Bank Bangladesh will appoint three external auditors to root out the causes of irregularities in its loan approvals, forex dealings and employee recruitment process over the past seven years.

The bank's new board of directors took this decision at their first official meeting yesterday.

Earlier on August 22, the Bangladesh Bank formed a new board for the Shariah-based bank with the appointment of five independent directors. Md Obayed Ullah Al Masud, former managing director of Rupali Bank, was announced as chairman of the board.

As a result, the largest private commercial bank in the country was freed from S Alam Group after seven years.

One of the directors told The Daily Star that the new board has decided to find out which borrowers are not repaying their loans from the bank and who were involved in approving those disbursals.

Between 2017 and June this year, S Alam Group and its associated companies borrowed Tk 74,900 crore, which was 47 percent of the lender's total outstanding loans as of March.

The loans were taken in the name of Mohammad Saiful Alam, his wife, daughter, other relatives and officials of the Chattogram-based conglomerate, according to central bank officials with knowledge on the matter.

Documents pieced together by The Daily Star show that most of the

READ MORE ON B3

**Earlier on August 22, the Bangladesh Bank formed a new board for the Shariah-based bank with the appointment of five independent directors**

STAR BUSINESS REPORT

Three major indicators of the economy – imports, remittances and foreign exchange reserves – are likely to increase in the first quarter of the current fiscal year, a positive development for the external accounts, according to the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI).

The country's monthly imports may hit \$5.68 billion in September, up from August's projection of \$5.51 billion and July's estimated import bill of \$5.39 billion, the chamber said yesterday in its quarterly economic review.

Similarly, remittances may grow to \$2.29 billion next month from \$2.18 billion in August.

The leading trade body also said that inflation, which hit 11.06 percent in July, the highest in 13 years, is expected to ease this month and next month.

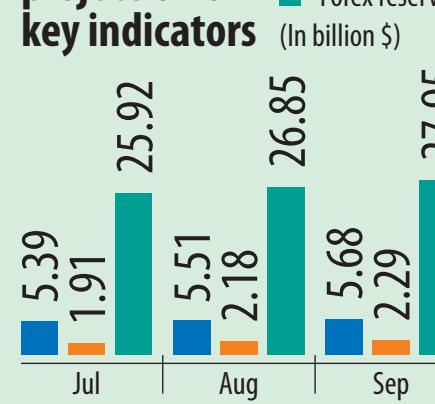
"The economy is trying to overcome the difficulty due to the present conflicting world scenario. Therefore, the performances of the selected economic indicators are mixed," the chamber said.

Bangladesh's overall forex reserves may rise to \$27.95 billion at the end of September, it added.

The MCCI did not project exports as the Export Promotion Bureau refrained from publishing export statistics for three months since June after correcting a massive data mismatch.

Imports and remittances may decrease in July due to the present slowed-down economy and then may increase in the next two months, the chamber

### MCCI's projection on key indicators

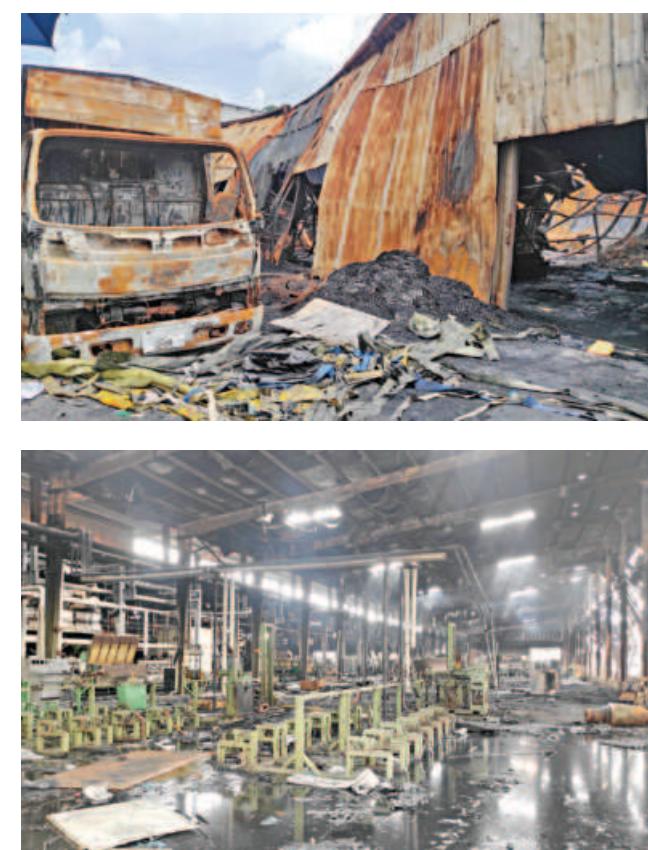


Imports  
Remittances  
Foreign exchange reserves  
(In billion \$)

Jul Aug Sep

Bangladesh Bank Governor Ahsan H Mansur said it would be possible to lower the policy rate in six months if inflationary pressure comes down to a tolerable level

Story on B4



## Law and order buyers' main concern

Exporters tell finance adviser

STAR BUSINESS REPORT

Businesspeople yesterday expressed deep concern over the security of their factories and trade, apprehending that a lack of law and order would prompt foreign buyers to shift work orders to other countries.

"The main concern of the buyers is law and order, which has been discussed with the (finance) adviser (of the interim government)," said AK Azad, a former president of the Federation of Bangladesh Chambers of Commerce and Industry.

He was talking to journalists after a delegation of garment manufacturers made a courtesy call on Finance Adviser Salehuddin Ahmed at the Economic Relations (ERD) office in Dhaka yesterday.

According to Azad, it takes seven to 10 days to collect samples from the airport once they arrive from abroad while the Chattogram port is plagued with container congestion.

If these types of bottlenecks are not resolved and law and order not restored, buyers will think of alternatives, he said.

He said word was going around that the interim government would withdraw the export development fund alongside cash incentives for exports and impose duties on fabric imports.

This will negatively impact exports of garment manufacturers who need to import fabrics for use as raw materials, and some factories will have to shut down, Azad said.

Meanwhile, extortion at factories and business establishments has increased alarmingly, he added.

The finance adviser assured he would sit with the Bangladesh Bank governor and finance secretary to resolve the problems and hold a follow-up meeting to discuss reviews of the delegation's recommendations, he added.

Salehuddin Ahmed also recommended that the leaders of the Bangladesh Garment Manufacturers and Exporters

READ MORE ON B2

## MCCI projects higher imports, remittances and slowing inflation

STAR BUSINESS REPORT

Three major indicators of the economy – imports, remittances and foreign exchange reserves – are likely to increase in the first quarter of the current fiscal year, a positive development for the external accounts, according to the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI).

The country's monthly imports may hit \$5.68 billion in September, up from August's projection of \$5.51 billion and July's estimated import bill of \$5.39 billion, the chamber said yesterday in its quarterly economic review.

Similarly, remittances may grow to \$2.29 billion next month from \$2.18 billion in August.

The leading trade body also said that inflation, which hit 11.06 percent in July, the highest in 13 years, is expected to ease this month and next month.

"The economy is trying to overcome the difficulty due to the present conflicting world scenario. Therefore, the performances of the selected economic indicators are mixed," the chamber said.

Bangladesh's overall forex reserves may rise to \$27.95 billion at the end of September, it added.

The MCCI did not project exports as the Export Promotion Bureau refrained from publishing export statistics for three months since June after correcting a massive data mismatch.

Imports and remittances may decrease in July due to the present slowed-down economy and then may increase in the next two months, the chamber

### MCCI's projection on inflation



But the country witnessed massive mayhem as students protested the quotas system for government jobs since the start of July, which dealt a big blow to business activities.

"After the fall of the Awami League government (on August 5), the interim government has just taken power and it will take time to normalise business activities," it added.

READ MORE ON B3