

## US issues new proposals for 15% corporate tax

AFP, Washington

The US Treasury Department unveiled new proposals Thursday to implement a rule requiring some of America's largest corporations to pay a minimum corporate tax rate of 15 percent.

The proposed rules are designed to execute the Corporate Alternative Minimum Tax (CAMT), which formed part of the Inflation Reduction Act, one of President Joe Biden's signature pieces of legislation.

It applies to corporations averaging more than \$1 billion in profits that currently pay less than 15 percent in corporate taxes on their adjusted profits each year, the Treasury Department said in a statement.

Thursday's notice of proposed rulemaking "would implement the statutory requirement that the biggest corporations pay a minimum 15 percent tax on profits reported to shareholders," according to the Treasury.

"Some of the most profitable corporations in the country report record profits to shareholders while using complex tax strategies to pay little to no taxes, often paying lower tax rates than nurses, firefighters, police officers and teachers," said deputy Treasury secretary Wally Adeyemo.

"The ability to use accountants and lawyers to reduce tax bills down to zero gives billion-dollar corporations a competitive advantage over small businesses," he told reporters in a briefing before the proposals were published.

## Prime Bank, Miura Bangladesh sign deal on service benefits



Yuji Kido, managing director of Miura Bangladesh Company Limited, and Md Nazeem A Choudhury, deputy managing director of Prime Bank, pose for photographs after signing an agreement at the bank's corporate office in Dhaka recently. PHOTO: PRIME BANK

### STAR BUSINESS DESK

Prime Bank PLC has recently signed an agreement with boiler manufacturer and exporter Miura Bangladesh Company Limited.

Md Nazeem A Choudhury, deputy managing director of the bank, and Yuji Kido, managing director of the boiler manufacturer, penned the deal at the

bank's corporate office in Dhaka, the bank said in a press release.

Under the agreement, the bank will extend benefits to the boiler manufacturing company's employees who will be able to avail preferential banking service, including credit card and loan facilities.

Miura Bangladesh will also enjoy PrimePay, a digital portal, for seamless automated salary payments as well as

carryout corporate payments conveniently round the clock.

Shaila Abedin, executive vice-president and head of Women Banking and Affluent Segment of the bank, Anup Kanti Das, head of payroll banking, and Mohammad Rizwan, senior manager of the boiler manufacturing company, along with other senior officials from both the organisations were also present.



Syed Mizanur Rahman, additional managing director of AB Bank, and Shawkat Aziz, chief business officer, hand over a cheque worth Tk 2 crore to Farook-e Azam, adviser to the Ministry of Disaster Management and Relief, at the Bangladesh Secretariat in the capital recently. PHOTO: AB BANK

## AB Bank donates Tk 2cr for flood victims

### STAR BUSINESS DESK

AB Bank recently donated a financial relief package worth Tk 2 crore for the flood-affected people in different districts of the country from its corporate social responsibility programme.

The aid will be given to the Chief Adviser's 'Relief and Welfare Fund' to support the people suffering from the devastating flash floods.

The founder chairman of the bank, members of the board of directors and shareholders of the bank have contributed to this fund, said a press release.

Apart from that, the bank's employees and its subsidiaries have also contributed to it with their one-day salary.

Syed Mizanur Rahman, additional managing director of the bank, and Shawkat Aziz, chief business officer, handed over a cheque to Farook-e Azam, adviser to the Ministry of Disaster Management and Relief, at the Bangladesh Secretariat in the capital.

## Eastern Bank, Youth Group sign payroll banking deal

### STAR BUSINESS DESK

Eastern Bank PLC recently signed a payroll banking agreement with Youth Group, an energy, power, textile and mineral sector conglomerate in Bangladesh.

M Khorshed Anowar, deputy managing director and head of retail and SME banking of the bank, and Arif Ainul Suman, group chief executive officer of the business conglomerate, penned the deal in Dhaka, said a press release.

As part of the agreement, the group's employees will enjoy a range of banking services from the bank, including dual-currency debit cards, a variety of loan options tailored to meet their financial needs, alongside a comprehensive selection of other banking perks designed to enhance their financial well-being.



Arif Ainul Suman, group chief executive officer of Youth Group, and M Khorshed Anowar, deputy managing director and head of retail and SME banking of Eastern Bank PLC, pose for photographs after signing an agreement at the bank's head office in Dhaka recently. PHOTO: EASTERN BANK

## Pathao raises \$12m for fintech push

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The pre-Series B level of a star up follows seed, pre-series A and series A stages and it is typically marked by expansion and investment requirements.

The latest Pathao funding round was led by the MENA-based VentureSouq, which has made "platform bets" across the Middle East, Africa and South Asia.

Additional investment came from Anchorless Bangladesh, Osiris Group, South Asia Tech, Openspace Ventures and other investors.

The trust placed in Pathao by global venture capital firms through this significant investment not only underscores the resilience and growth potential of Bangladesh's tech sector but also signals renewed investor confidence at a time when global economic uncertainties have cast shadows on the emerging market, according to industry people.

Having transformed into a profitable and financially robust entity over the past two years, Pathao now plans to provide fintech offerings, the company said in a press release.

"Pathao is far more than a brand or a suite of products -- it is a lifestyle. Just as it has radically transformed urban transportation, logistics and the gig economy, our efforts in fintech will reshape the financial landscape in Bangladesh," said Fahim Ahmed, managing director and chief executive officer of Pathao.

The company has already made forays into fintech with the introduction of Pathao Pay, a digital wallet, and Pay Later, Bangladesh's first and largest 'buy now, pay later' solution.

The fresh funding will be instrumental in scaling these fintech offerings, refining their technology and broadening market reach, Pathao said.

"Our core users are the digital native youth of Bangladesh. Traditional banks are too primitive for them, and the other digital wallets are focused more on the underbanked. We are looking to build a tailored financial management ecosystem for our customers, young professionals and tech-enabled entrepreneurs in Bangladesh," Ahmed said.

Pathao's fintech offerings are

designed to provide personalised financial solutions to over five million young professionals and over 500,000 tech-enabled small businesses in Bangladesh, utilising cutting-edge technology to enhance user experience.

Tammer Qaddumi, co-founder and general partner at VentureSouq, said: "Given Pathao's existing reach, trust in its markets, and the calibre and integrity of its team, we believe Pathao will be a significant and positive player across multiple service lines for years to come. We certainly view the company as the strongest potential distribution platform for fintech products across Bangladesh, bar none."

Rahat Ahmed, CEO and founding partner of Anchorless Bangladesh, said Pathao is uniquely positioned to capitalise on Bangladesh's economic growth.

Since its inception in 2015, the company has served over 10 million customers and created more than 500,000 employment opportunities in Bangladesh's gig economy and small businesses.

## Act fast

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As the situation changed after the political changeover, people began trying to establish their influence in the industrial areas and leveraged labour issues to fulfil their intentions. There are also some political reasons behind this, he said.

"That is why we are advocating for addressing the workers' demands quickly," said Razekuzzaman Ratan.

He said that although Bangladesh is a signatory to 36 ILO conventions, the country has yet to properly establish trade unions, union registration or trade union safety, and workers are dissatisfied with the lack of progress.

The leftist leader added that although the interim government has taken up various reform agendas, workers' rights have not been properly highlighted.

"The workers should be a priority for the interim government now. This is necessary for the country's economic progress and to ensure employment," he said.

"The workers do not seek recognition. They just want to avoid abuse by owners, torture by goons and have a minimum guarantee of their rights," he concluded.

## Russia hikes rate to 19% as inflation jumps

AFP, Moscow

Russia's central bank on Friday raised interest rates to 19 percent amid the country's ongoing Ukraine offensive, warning inflation was running too high and it needed to cool the economy.

Inflation was running at an annual rate of 9.05 percent in August, the country's statistics agency said earlier this week.

Russia has faced economic headaches since launching its February 2022 Ukraine offensive.

"Current inflationary pressures remain high," Russia's central bank said in a statement.

"Further tightening of monetary policy is required to resume the disinflation process, reduce inflation expectations, and ensure the return of inflation to the target in 2025," it added.

Russia has faced volatile prices since it sent troops into Ukraine in February 2022, triggering a barrage of Western sanctions and strict counter-measures in a bid to stabilise the economy.

A spurge in government spending -- up almost 50 percent since 2021 -- to fund the conflict has seen billions poured into the military and defence sector. That has helped shield the economy from the collapse that many predicted, but also pushed prices up fast.

"The labour market remains tight. Unemployment has dropped to a new historic low," the central bank said.

Numerous sectors have suffered personnel shortages as hundreds of thousands of men have been recruited to fight in Ukraine.

The bank's director Elvira Nabiullina called those shortages "the main obstacle to increasing production" in the country. Inflation was slightly down in August but still well above the government's target level of four percent.

The central bank has aggressively raised rates over the past year, taking them back towards the emergency level of 20 percent that was introduced straight after the start of the conflict.

It says such hikes are needed to stop the economy "overheating" and stave off the risk of "stagflation" -- where growth slows but inflation remains high.

But steep borrowing costs have hit some consumers and businesses, many of which rely on short-term debt.

| PRICES OF KEY ESSENTIALS IN DHAKA CITY |                      |                            |                          |
|--|----------------------|----------------------------|--------------------------|
|  | PRICE (SEP 14, 2024) | % CHANGES FROM A MONTH AGO | % CHANGE FROM A YEAR AGO |
| Fine rice (kg)                         | Tk 64-Tk 80          | 2.86 ↑                     | 9.09 ↑                   |
| Coarse rice (kg)                       | Tk 52-Tk 55          | 0                          | 9.18 ↑                   |
| Loose flour (kg)                       | Tk 38-Tk 45          | -2.35 ↓                    | -10.75 ↓                 |
| Lentil (kg)                            | Tk 105-Tk 110        | 0                          | 0 ↑                      |
| Soybean (litre)                        | Tk 148-Tk 158        | 3.03 ↑                     | -2.86 ↓                  |
| Potato (kg)                            | Tk 52-Tk 60          | 6.67 ↑                     | 20.43 ↑                  |
| Onion (kg)                             | Tk 110-Tk 120        | 0                          | 53.33 ↑                  |
| Egg (4 pcs)                            | Tk 52-Tk 53          | 7.14 ↑                     | 1.94 ↑                   |

SOURCE: TCB

## Revenue target for FY25

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the revenue authority with collecting Tk 480,000 crore in the national budget for fiscal year 2024-25, beginning from July 1.

This target is 25 percent higher than the actual revenue collection in the preceding fiscal year, raising scepticism about its achievability.

"Although it is ultimately not possible to completely cut out foreign funding, we cannot allow ourselves to always depend on others," Ahmed said.

He also said the country is often forced to follow the directions of foreign lenders, even in policymaking, to ensure continued access to their funds. The government has been facing this grim reality at present, he said, so it wanted to reduce dependence on others.

Emphasising that public funds should never be wasted, Ahmed said that the previous government had spent much of the taxpayers' money on unnecessary projects and initiatives.

"We must reduce those expenses," he said, urging the tax officials to do their utmost to collect revenue without harassing individuals or businesses.

"Taxpayers should not be nervous

when they see you [tax officials]. Ordinary people tend to avoid tax inspectors in order to avoid being harassed. Please assure them that they have nothing to fear."

Furthermore, the finance advisor stressed the need for tax officials to raise more funds from internal sources to reduce reliance on foreign loans.

NBR Chairman Abdur Rahman Khan said the tax administration should be more business friendly.

"I urge everybody to file their tax returns online. The burden of public debt is rising and the NBR is struggling to meet revenue targets. This situation needs to change," he added.

Khan also expressed concern about the misuse of tax revenue, stating that the public's perception of how the government wastes their money must be remedied.

Bangladesh Civil Service (Taxation) Association President Md Lutful Azeem, who chaired the discussion, stressed the need for reforms in rules for direct taxation.

"Reforms to direct taxes are necessary. We need automation in tax administration because there is no alternative to that for increasing collection. No official should oppose this," he said.

## Workers' demands

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The industrial belt, particularly the Ashulia area, saw protests in the third week of August after a group of people demonstrated in front of the Dhaka Export Processing Zone (Dhaka EPZ) demanding a 70 percent quota for men.

Kalpona said there was a political element at the beginning, centring the control of the waste fabric business in the Ashulia industrial belt, which houses 1,863 factories, mostly garments.

During the past government's tenure, local Awami League (AL) leaders controlled the trade of waste fabrics, widely known as 'jhut', generated from clothing manufacturing units.

Kalpona said the crisis began after

the AL's ouster on August 5 as groups affiliated with opposition parties such as the Bangladesh Nationalist Party and Bangladesh Jamaat-e-Islami attempted to gain control of the business, she said.

"Workers then realised that they could raise their demands too," she said.

Kalpona said the measures taken by the labour ministry were not enough to reassure workers.

The labour ministry has formed a committee to resolve the current stalemate, but they should include a representative who genuinely represents workers, she said.

Kalpona said the government should strictly enforce labour laws and reform the Department of Inspection for Factories and Establishments.