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## BB waiting for law to sue Nagad

MD MEHEDI HASAN

The Bangladesh Bank is waiting for the interim government to bring a Payment and Settlement System Act, 2024 into effect, as it intends to take legal action against mobile financial service (MFS) provider Nagad Ltd over alleged irregularities.

Nagad introduced itself as a financial arm of the Bangladesh Post Office when it entered the market in 2019. It is still running on a temporary licence from the central bank.

After the interim government came into office, the central bank in August appointed an administrator at Nagad over the alleged irregularities in operations and dealings.

It said the appointment was made under section 31 of the act, which was passed in parliament in July this year.

However, sub-section 3 of section 01 says the act would come into effect on a date announced through a gazette. It is yet to be issued.

"We informed the matter to the government and the division concerned will issue a gazette soon by fixing the effective date," one central bank official, who is directly involved in the process, told The Daily Star.

Without the gazette, questions will arise regarding the administrator's appointment, he pointed out.



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The Daily Star has learned that the gazette would be issued stating that the act would take retrospective effect.

There are options to take the legal steps under the Payment and Settlement System Regulation, 2008 and the Bangladesh Mobile Financial Services (MFS) Regulation, 2022, said central bank officials.

But the latest act is more precise when ensuring legal measures, they said.

A director of Nagad filed a writ petition with the High Court on September 10 challenging the administrator's appointment for not complying with the act.

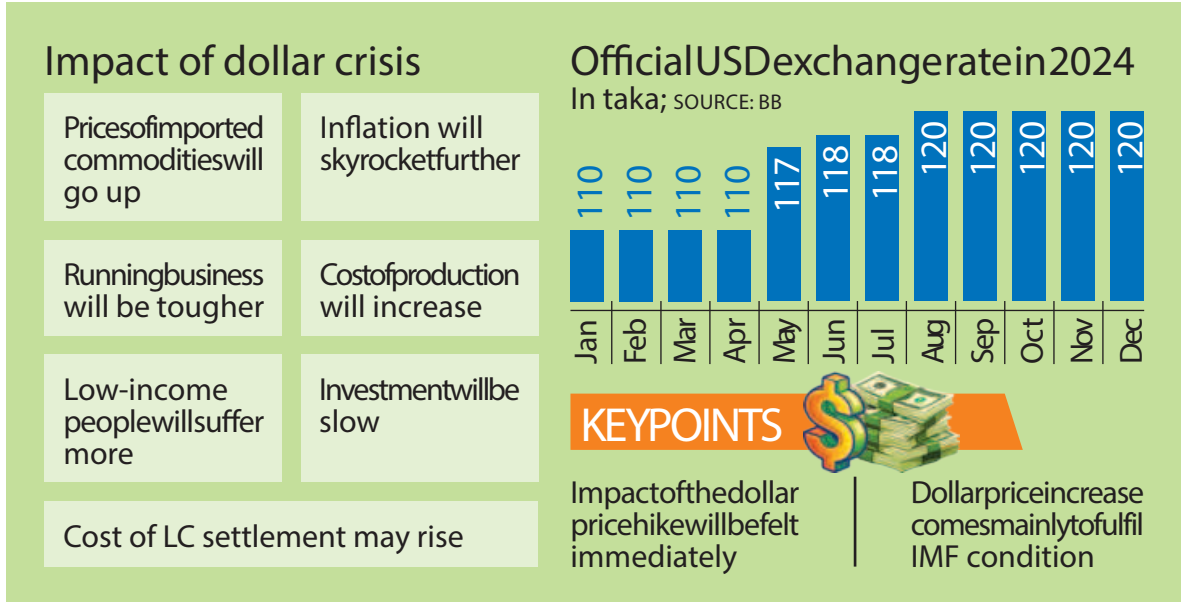
The High Court last week imposed a two-week status quo on all activities of Nagad, preventing the administrator and management board from taking any new step beyond regular business operations.

### ALLEGED IRREGULARITIES AT NAGAD

The Daily Star came to know that the administrator found a lot of alleged irregularities at Nagad.

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## As dollar jumps, old inflation battle to get tougher in new year



JAGARAN CHAKMA

After a four-month lull, US dollar prices made an abrupt jump in December, making imports more expensive and pushing up business costs.

Businesspeople and economists said that a further strengthening of the greenback would have a ripple effect on essential prices, further complicating the ongoing battle against inflation.

"The price of all imported essentials will increase shortly due to the rising dollar price," said SM Mujibur Rahman, head of accounts at the industrial conglomerate Meghna Group of Industries (MGI). Bangladesh has long been struggling to curb inflation, which has remained above 9 percent since March 2023.

To lower the price pressure curve, the central bank has hiked the policy rate five times this year to 10 percent.

Besides, a crawling peg exchange rate was introduced in May this year, allowing banks to buy and sell US dollars freely within a mid-range of Tk 117.

But Rahman said they are currently opening letters of credit

(LCs) at Tk 126 per dollar, while this rate could fluctuate further during settlement.

Bangladesh relies heavily on imports for a wide range of food essentials, including edible oils, lentils, onions, sugar, and spices. These items have been selling roughly 5 percent higher than a year ago.

Usually, poor and middle-income individuals are vulnerable to price increases in widely consumed food items.

To offer the vulnerable groups better protection and stabilise the local market, the government has announced duty and value-added tax (VAT) cuts on many food essentials.

But Rahman said a stronger dollar could undo the impact of these tax cuts.

He estimated that the increase in the dollar rate has led to a 45 percent decline in real income over the past two years.

Echoing similar views of Rahman, Zaved Akhtar, managing director of Unilever Bangladesh, said the sudden and sharp depreciation of Taka would have immediate consequences for businesses and the overall economy.

Since business plans and assumptions depend on currency forecasts, businesses find it challenging, if not impossible, to modify and adapt their strategies in the near term, he said.

"In addition, given our country's import dependency, inflation is now unlikely to abate soon and the cost of operations is likely to rise," he added.

He also said companies with foreign currency exposure will face increased cost exposure.

"Needless to say, micro, small and medium enterprises will find it difficult to run as the cost of funds continues to rise," Akhtar added.

Although the crawling peg allows banks to buy and sell dollars at Tk 120, the actual exchange rate is now between Tk 125 and Tk 127, according to Ferdous Ara Begum, chief executive officer of the private sector think-tank Business Initiative Leading Development (BUILD).

She said the crawling peg has not worked well because banks are running the system differently.

To cushion the dollar jump, she added that the Bangladesh Bank (BB) might need to raise the policy rate again.

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## Islami Bank MD forced out of office

STAR BUSINESS REPORT

Mohammed Monirul Moula, the managing director of Islami Bank Bangladesh, has not gone to his workplace since December 19 when he was forced to leave by a group of officials.

An additional managing director (AMD) of the bank, speaking on condition of anonymity, confirmed the development to The Daily Star.

He said Moula has been absent due to "internal issues".

Officials of the bank said Moula was working from home. The issue will be raised at a board of directors meeting scheduled for December 29, they added.

Neither Moula nor the bank's new chairman, Md Obayed Ullah Al Masud, received phone calls from The Daily Star for comment.

Moula was appointed in January 2021 when the controversial S Alam Group was dominating the bank's board.

Recently, the Anti Corruption Commission filed a case against 58 people, including Ahsanul Alam, former chairman of Islami Bank and son of S Alam Group owner Mohammed Saiful Alam, and Mohammed Monirul Moula.

They are accused of embezzling Tk 109.2 crore from Islami Bank through loan fraud.

After the installation of the interim government, S Alam Group's control over Islami Bank ended in August as Bangladesh Bank dissolved the previous board that was heavily dominated by individuals linked to the conglomerate.

STOCKS	
DSEX ▼	CASPI ▲
0.03%	0.24%
5,169.32	14,489.24

COMMODITIES	
Gold ▲	Oil ▲
\$2,618.01 (per ounce)	\$69.76 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.06%	▼ 0.32%	▲ 0.46%	▲ 1.26%
78,485.91	39,036.85	3,769.55	3,393.53

## Tax return submission deadline extended to Jan 31

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has for a second time extended by a month the deadline for individual taxpayers to file tax returns.

Now, taxpayers will get until January 31 next year to submit the documents.

Usually, November 30 is the deadline for the submission of tax returns for the fiscal year ending in the preceding June. The NBR had initially extended it to December 31.

In a notice issued yesterday, the tax administrator also said the deadline for businesses to submit returns has been extended to February 15 from January 15. The deadlines have been extended based on demands from various bodies of professionals, according to the NBR.

Individual taxpayers and businesses can also submit their income and wealth statements both online and in person. Failing to do so within the deadline results in taxpayers being subject to fines.

Earlier, the NBR made the online filing of tax returns mandatory for government officials under tax zones of the Dhaka, Narayanganj and Gazipur city corporations.

It also asked all bankers and officials of mobile network operators to file returns electronically for the current assessment year.

## Not a good year for job-seekers



MD ASADUZ ZAMAN

Fresh graduates, their faces pale and uncertain, spent 2024 poring over newspaper job advertisements, applying for any suitable position and frantically appearing for recruitment exams in Dhaka.

The year was marked by somewhat regular public recruitments until June -- before a nationwide student movement turned into a full-blown anti-government campaign.

However, the private sector offered far fewer new jobs than the number of fresh graduates entering the job market.

Throughout the year, economic and political gauges constantly beeped red: a slowing economy, falling capital machinery import, sluggish private sector credit appetite, a nationwide upheaval culminating in the

government ouster and the formation of an interim government.

Amid the turmoil, the overall job market fared poorly in 2024.

The year began with roughly 10 lakh unemployed graduates, according to the latest official data from the Bangladesh Bureau of Statistics (BBS).

In Bangladesh, public jobs represent around 6 percent of the employment while the private players accommodate the remaining workforce.

In 2024, a combination of factors such as global crises, local political instability, a worsening US dollar crisis and high inflation halted expansion plans.

Therefore, private firms saw their appetite for fresh credit waning. Private sector credit growth decelerated to 8.30 percent in October, the lowest in

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# শ্রদ্ধাঞ্জলি

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আজকের এই দিনে, যমুনা ব্যাংকের সম্মানিত পরিচালক জনাব ফজলুর রহমানের প্রথম মৃত্যুবার্ষিকীতে, আমরা যমুনা ব্যাংক পরিবার তাঁর মহৎ অবদান ও বলিষ্ঠ নেতৃত্ব গভীর শ্রদ্ধার সাথে স্মরণ করি। ব্যাংকের উন্নয়নে তাঁর অটল প্রতিশ্রুতি, দূরদর্শী দিকনির্দেশনা ও কঠোর পরিশ্রম আমাদের জন্য চিরকাল অনুপ্রেরণার উৎস হয়ে থাকবে।

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Jamuna Bank