

# star BUSINESS



## Businessman brought Tk 730cr as remittance to evade tax

### Flags revenue board

#### STAR BUSINESS REPORT

A businessman has brought Tk 730 crore under the guise of remittances from abroad and claimed a tax break, creating suspicions of tax evasion among officials of the National Board of Revenue (NBR).

At an event at the NBR headquarters yesterday, NBR Chairman Abdur Rahman Khan shared the information with members of the Economic Reporters Forum (ERF) and sought the cooperation of the media to check tax evasion.

He said that the NBR is providing tax benefits on remittances sent home by Bangladeshis working abroad to encourage the use of formal channels.

However, one person brought Tk 730 crore as remittance through a bank account and claimed the money was exempt from taxes.

"Can you believe that?" Khan said at the event organised by the BCS Taxation Association at the NBR office in the capital.

As per the income tax law, remittances sent by expatriates are tax-exempt. Additionally, the government offers a 2.5 percent incentive to remitters sending money through formal channels.

Khan said it is not possible for a wage-earning migrant worker from Bangladesh to earn such a large sum. As such, officials believe that this is an attempt to legalise laundered money with income tax benefits.

"It might have been sent abroad in the form of hundi and brought back in phases through a bank account," said a senior official of the NBR.

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## Chaos at BSEC meant to thwart graft probe

Stock regulator finds in initial inquiry

#### AHSAN HABIB

The chaos surrounding certain demands by a section of Bangladesh Securities and Exchange Commission (BSEC) officials and employees in early March was aimed at protecting stock looters and manipulators exposed in an ongoing investigation, according to initial BSEC findings.

The demonstration, which the BSEC described as chaos, paralysed regulatory activities for two days before subsiding and brought the top BSEC leadership and staff into direct confrontation.

The protesting officials demanded the resignation of the stock regulator's top leadership, while the BSEC chairman and three commissioners reiterated that their anti-graft measures would continue.

The BSEC sent its initial findings to the Financial Institutions Division (FID) of the Ministry of Finance last week, seeking an interministerial investigation.

On March 5, BSEC officials confined the chairman and three commissioners in the meeting room, demanding the reinstatement of a top official dismissed on graft charges.

"During a commission meeting chaired by the BSEC chairman, a group of unruly and defiant officials and employees forcibly entered the meeting room in a manner completely contrary to professional decorum," the BSEC said in the letter, referring to the incidents.

"Subsequently, they shut down electricity, closed-circuit television (CCTV) cameras, and other facilities, holding the commission hostage for nearly four hours, creating a situation of terror and chaos."

"They hurled abusive language at the chairman and commissioners, and at one point threw an AC remote at them," it added.

Besides, the initial findings accused the protesting officials of physically assaulting the chairman's private secretary and vandalising office at BSEC building in Agargaon area of Dhaka.

As the situation spiralled out of control, security personnel, along with members of the Bangladesh Army, intervened. They had

WHAT HAD HAPPENED AT THE BSEC?	DEMANDS OF OFFICIALS
Officialsshutdownelectricity and CCTV cameras	Reinstatinganexecutivedirectorwhowassent to retirement forcibly
Confinedthechairmanand commissionersforfourhours	Cancellingshow-cause notices issued to several officials
Used abusive language against the chairman and commissioners	Immediateresignationofthechairmanand commissionersif the demands are not met
Physically assaulted the chairman'sprivatesecretary	BSEC's recommendations
	Conductinganadministrative investigation by the Financial Institutions Division
	Seekingintelligence assistance to investigate any external conspiracy
	Deploying Ansar personnel at BSEC office
	AppointinggovernmentofficialsatBSECwith degreesineconomics, finance, or accounting

to charge batons to rescue the top leadership and subsequently escorted them out of the BSEC premises.

"It is presumed that the unruly and defiant officials and employees, by engaging in such illegal activities, are siding with those involved in stock market scandals and looting, ultimately attempting to shield the perpetrators from legal accountability," the findings said.

As the root cause of the unrest, the BSEC noted that it had formed an investigation committee to probe corruption and irregularities that took place during the previous government.

Several reports from this committee identified individuals and institutions involved in stock market manipulation, including former BSEC chairmen, commissioners, and officials.

Subsequently, the commission decided to issue show-cause notices and demand explanations from those implicated. Based on

the findings, some officials were served show-cause notices.

Due to serious irregularities, former executive director Saifur Rahman was forced to retire, the stock regulator said.

It added that the "unruly and defiant" officials and employees exerted immense pressure on the commission to revoke the retirement order of the former executive director.

They also engaged in office vandalism, demanding the withdrawal of show-cause notices and the rejection of the investigative committee's recommendations.

"To stop the BSEC's departmental actions, such violent acts are against professional ethics, unacceptable, and condemnable," the letter stated.

On March 6, the BSEC chairman's security staff filed a case against some officials with Sher-e-Bangla Nagar Police Station for vandalism and chaos.

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## Bangladesh to import more US cotton to ward off Trump tariff

#### STAR BUSINESS REPORT

Bangladesh looks to import more cotton from the US so that both American suppliers and local businesses can benefit and the country can get immunity from Trump's tariff war, Foreign Adviser Md Touhid Hossain said yesterday.

The Trump administration has been imposing high tariffs on different countries, but Bangladeshi goods have not been targeted by such measures so far.

If Bangladesh imports more cotton from the US, the American government will hesitate to impose tariffs on goods made in Bangladesh, which has been performing well in the US markets despite facing high duties of 15.62 percent, according to Hossain.

The adviser made these comments at a workshop on the importance and potential of cotton cultivation in Bangladesh to save foreign currency.

The session was jointly organised by the Economic Reporters' Forum (ERF), the Bangladesh Cotton Ginners Association, and Bangladesh Sudan Ginning Cotton Co Ltd (Sudan) at the ERF auditorium in Dhaka.

Hossain added that the government would offer bonded warehouse facilities to cotton ginners so they can receive fair prices. This will be part of a greater process to ensure the adequate and timely supply of cotton.

Bonded warehouse facilities would allow ginners -- which are individuals or entities that operate a cotton gin, a machine that separates cotton fibres from their seeds and other impurities -- to supply cotton to spinners for at least 10 fewer cents per pound, which will ultimately benefit the industries.

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## UNPAID STAFF, CLOSED HEAD OFFICE

# Golden Life Insurance in trouble as customers owed Tk 35cr

#### SUKANTA HALDER

Private insurer Golden Life Insurance Limited is in crisis as it struggles with a severe cash crunch, unpaid claims and operational breakdowns.

The company, established in 1999, is now in turmoil, with its headquarters closed, many key officials absent and around 18,000 policyholders waiting for their dues.

After the political changeover in August last year, the insurer's troubles have deepened, as its head office at Ambon Complex in Mohakhali area of Dhaka remains shut for more than a month.

The closure followed a confrontation between frustrated policyholders and company staff after the insurer failed to settle claims totalling Tk 34.95 crore.

Amzad Hossain Khan Chowdhury, chief executive officer of Golden Life Insurance, admitted the severity of the situation.

"The head office has remained closed for the past 20 days in a row. We are making our best efforts to resolve the current problem," he said. While Chowdhury claimed that branch offices are functioning "as usual," the company's inability to pay salaries to nearly 200 employees or clear overdue rent for its headquarters throws light on its financial distress.

#### YEARS OF MISMANAGEMENT

The current crisis of the insurer originated from years of operational mismanagement and governance failures.

Chowdhury pointed to irregularities between 2011 and 2014, including unreported policies and unsubmitted money receipts by field-level employees, which created a backlog of liabilities.

"When these clients claimed their funds, the money went pending," said the CEO.

He added that after the political changeover in August, funding for operations stopped abruptly, leading to a halt in claim settlements

FINANCIAL CRISIS AT GOLDEN LIFE INS		
The insurer owes Tk34.95cr to around 18,000 policyholders	It failed to pay salaries for nearly 200 employees for months	It has not paid rent for its headquarters for the last two months
OPERATIONAL STRUGGLES		
<ul style="list-style-type: none"> <li>Headquarters were shuttered after alleged assault on employees over unpaid claims</li> <li>The company currently has 140,000 policyholders</li> <li>Though it claims to offer 14 products, it has not submitted approval documents to regulators</li> </ul>		
REGULATORY AND BACKGROUND DETAILS		
Regulator instructed it to address financial troubles without delay	It has been operating since 1999	The company's total assets amount to Tk 55.85cr

from September and a suspension of staff salaries.

A recent visit to the company's head office found locked doors on the 3rd and 5th floors of Ambon Complex.

"The office is currently closed," a notice at the building entrance read. "A strike is underway due to the board's failure to provide promised funds on time. We kindly ask customers for their patience."

A senior official of the building's management told The Daily Star that Golden Life has not paid rent, electricity or water bills for two months.

However, the insurer has reportedly promised to settle the dues after upcoming Eid-ul-Fitr and vacate the premises.

The crisis at the headquarters has also affected Golden Life's regional offices.

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## Banks must allocate 27% of loans to SMEs by 2029: BB

#### STAR BUSINESS REPORT

Bangladesh Bank has set a target for banks and financial institutions to disburse 27 percent of their total loans to cottage, micro, small, and medium enterprises (SMEs) by 2029 to promote business growth and employment.

The central bank introduced a revised policy for the sector on Monday, allowing individuals involved in e-commerce and e-commerce to avail themselves of loans of up to Tk 5 lakh under the scheme.

Additionally, small traders without trade licences will also be eligible for loans of up to Tk 5 lakh, provided they submit alternative business-related certificates.

Under the new policy, a category called "Informal Entrepreneurs" has been introduced. Entrepreneurs in Bangladesh's informal sector will now be eligible to receive loans of up to Tk 5 lakh under this category. The policy clearly defines who will be considered "informal entrepreneurs."

According to the National Industrial Policy 2022 and the Digital Commerce Operational Guidelines 2021 issued by the Ministry of Commerce, entrepreneurs in the informal industrial sector are identified based on specific criteria.

Individuals who possess a Unique Business Identification (UBID), Digital Business Identification (DBID), and a Personal Retail Account (PRA) as per Bangladesh Bank's regulations, and who operate labour-intensive micro or floating businesses or service-based

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