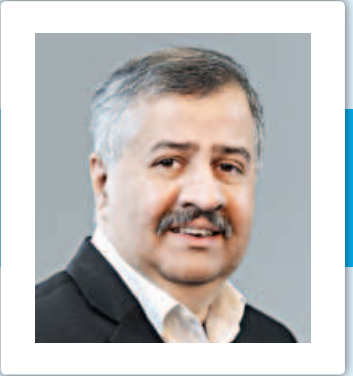


# Disincentivising cash is key to accelerating the digital economy

In conversation with Syed Mohammad Kamal, Country Manager, Mastercard Bangladesh

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?

**Syed Mohammad Kamal (SMK):** Bangladesh is making steady progress toward a cashless economy, with digital transactions becoming increasingly common. The momentum was particularly strong during the COVID-19 pandemic period when digital payments surged from 16% to 41%. However, concerns



women and HNI consumers. Our recent partnership with a MSME aggregator and a NBF has empowered CMSMEs by providing them access to the formal financial system. Additionally, we have introduced prepaid cards for garment workers, enabling 4.5 million workers to receive salaries digitally—enhancing their financial security and access to banking services that were previously unavailable. As a key partner in driving digital payments for financially excluded small merchants, Mastercard has collaborated with regulators and stakeholders to fully digitise two major kitchen markets in Dhaka. This initiative has transformed merchant operations, ensured

SYED MOHAMMAD KAMAL  
Country Manager  
Mastercard Bangladesh

faster and more secure transactions while encouraged customers to adopt digital payments in their daily shopping. To further promote financial inclusion, Mastercard has introduced a social media card designed specifically for F-commerce women entrepreneurs, helping this traditionally cash-dependent sector transition to the digital economy. We have also facilitated widespread adoption of contactless payment options and introduced exclusive products, including the country's first full-suite travel credit card, medical prepaid cards, and specialised solutions for youth, millennials, and freelancers.

**TDS:** What policy changes or government initiatives do you believe are crucial for making digital transactions more secure, inclusive, and widely adopted?

**SMK:** The mandatory income tax return requirement for credit card issuance discourages many from using formal financial services. Removing this barrier would encourage wider adoption and drive financial inclusion. Revising tax policies is also critical to accelerating digital payment adoption. To further boost cashless transactions, targeted incentives for both consumers and merchants can play a pivotal role. A small incentive—such as 3% for consumers and 2% for merchants for accepting digital payment

—could significantly increase digital transactions, encouraging businesses and individuals to shift away from cash. At the same time, it is essential to avoid dependency on a single entity for digital financial services. Regulators should take necessary steps to ensure a level playing field, fostering competition and innovation in the payment ecosystem. An integrated payment system across all banks—enabling seamless interoperable transactions for tolls, transport, and utilities—would eliminate inefficiencies. Simultaneously, financial literacy campaigns can educate consumers, ensuring wider adoption.

# Enhancing financial flexibility via collaborations

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?

**M. Shamsul Arefin (MSA):** Bangladesh is steadily advancing toward a cashless economy, driven by rapid digitalisation, financial inclusion, and regulatory support. The accelerated issuance of debit, credit, and prepaid cards has further boosted the adoption of cashless transactions, as people increasingly use POS machines and e-commerce platforms for



enables businesses to manage transactions seamlessly, ensuring a comprehensive digital banking experience for all customer segments.

**TDS:** What innovative steps has your bank taken to accelerate the shift toward a cashless economy, and how have they impacted customers?

**MSA:** NCC Bank has undertaken multiple initiatives to drive cashless transactions and enhance digital banking accessibility. To enhance financial flexibility, we have established strategic collaborations with multiple MFS providers, enabling seamless fund transfers between NCC Bank accounts and MFS accounts. This integration is extending financial access for users who rely on both

M. SHAMSUL AREFIN  
Managing Director  
NCC Bank

banking and MFS services. Recognising the potential of QR-based payments, we are working on deploying Bangla QR payment services, enabling customers to make quick, secure, and cost-effective digital payments at merchant points, significantly reducing cash dependency. Additionally, we are preparing to launch Digital Account Registration for remittance recipients, allowing customers to receive funds digitally without needing a traditional bank account. Other upcoming initiatives include Digital Nano Loans, Digital Account Opening, QR-based cash withdrawals at branches, and Buy Now, Pay Later (BNPL) services, all of which will further strengthen our digital banking ecosystem. Beyond retail banking, we have developed an end-to-end corporate banking solution to cater to diverse financial needs. Our corporate internet banking platform, NCC ICON,

will also be critical in mitigating fraud risks and increasing user confidence. Additionally, enhancing interoperability between banks, MFS providers, and fintech companies will create a seamless digital payment ecosystem. To drive merchant adoption, the government should introduce tax incentives and reduce transaction costs for digital payments, encouraging businesses to embrace cashless transactions. Furthermore, necessary monitoring and encouragement measures should be in place to ensure the adoption of Bangla QR payments across the country, making digital transactions a preferred choice for both businesses and consumers. Finally, investment in digital infrastructure, particularly in rural areas, will ensure broader internet penetration, making digital payments more accessible nationwide.

# BOGO and Cashback

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“Over the years, we have expanded our BOGO collaborations with international hotels. We now provide year-round BOGO deals in 13 international hotels in the country,” the expert notes. Likewise, Dhaka Bank, for example, has partnered with some of the most renowned hotels and restaurants to bring its cardholders exceptional BOGO offers. Signature and World cardholders can enjoy Pay 1, Eat 2 at Sheraton Dhaka, The Westin Dhaka, Radisson Blu Dhaka, Le Méridien Dhaka, and more. Some hotels, such as Pan Pacific Sonargaon and Beyond Buffet, offer Pay 1, Eat 3, while Hotel Sarina even extends a Pay 1, Eat 5 option. Additionally, BRAC Bank, as per an expert from the bank, is offering a Buy-1-Get-4 free (BIG4) Iftar and Sehri buffet at Six Seasons Hotel during the first week of Ramadan, followed by Buy-1-Get-3 for the rest of the month. Other luxury hotels, such as Hotel Bengal Blueberry, Amari Dhaka, Crowne Plaza Gulshan, and Golden Tulip, have similar BIG3 and BIG2 offers throughout Ramadan, ensuring diners get the most out of their dining experiences.

**Cashback offers: Dining that pays you back**  
If BOGO deals weren't enticing enough, cashback offers add an extra layer of excitement to cashless dining. Who wouldn't love the idea of getting back a portion of what they've spent on a sumptuous meal? Cashback rewards can be particularly beneficial for frequent diners, as the savings accumulate over time. Since many banks provide automatic cashback, diners don't have to worry about redeeming points or applying for discounts manually – the savings happen seamlessly in the background. Dhaka Bank offers attractive cashback deals across multiple platforms, making dining and shopping more rewarding. Cardholders can enjoy 20% cashback (up to Tk. 1,000) at popular online platforms such as Foodpanda, Pathao, and Chaldal, helping them save on meals and groceries during Ramadan. Additionally, the bank has partnered with several top-tier travel and hospitality brands,

offering discounts of up to 60% at Ramada, 35% at Sayaman Beach Resort, and 10% at Biman Bangladesh Airlines and Air Astra, making travel more affordable and enjoyable. An expert from City Bank highlights that during Ramadan 2025, the bank is offering up to 15% cashback at leading lifestyle and grocery outlets, up to 30% savings at over 100 restaurants, and up to 25% savings on online merchants and food delivery services. “With more than 500 merchant partners and 3,300 outlets, our cashback program has never been bigger,” the expert shares. Similarly, an expert from BRAC Bank states that the bank is offering 10% cashback for credit cardholders on lifestyle shopping, food delivery



PHOTO COURTESY: SK ENAMUL HAQ

platforms such as Foodpanda and Foodi, and travel bookings through Shohoz, Paribahan.com, and BD Tickets. Online shoppers can also take advantage of 10% cashback at Aarong, Bata, and Illiyeen, further enhancing their shopping experience. **Why cashless dining is the future**  
The transition to cashless dining isn't just about convenience – it's about transforming the entire dining experience. Digital transactions provide a level of security and hygiene that cash simply cannot match. Handling physical currency carries risks, from germ transmission to potential fraud, making digital payments a safer alternative. Whether you're paying

via credit card, mobile wallet, or QR code, these methods ensure that your transactions are secure and traceable, reducing the likelihood of theft or counterfeit money issues. Beyond security, cashless transactions significantly improve efficiency and speed. No more waiting for the server to bring back change, no more delays due to cash shortages – just a simple tap, swipe, or scan, and you're done. This streamlined process enhances the overall dining experience, allowing restaurants to serve customers more quickly and diners to enjoy their meals without unnecessary interruptions. Moreover, cashless transactions contribute to budget-friendly dining. Many banks offer cashback

deals that automatically return a portion of your spending, effectively reducing meal costs over time. Savvy diners who strategically use these offers can significantly cut down on their dining expenses while still enjoying premium meals at top-tier restaurants. As Dhaka's dining culture continues to evolve, the shift towards cashless payments is becoming an undeniable reality. More restaurants are adapting to digital transactions, and more customers are recognising the numerous benefits. Whether for security, speed, rewards, or savings, cashless dining is the future – and those who embrace it are set to enjoy a smarter, more rewarding culinary journey.

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