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Tax-free income limit may rise to Tk 3.75 lakh

Next budget may offer some other tax relief for individuals, businesses

MD ASADUZ ZAMAN

The government is planning a series of measures in the upcoming national budget to alleviate the tax pressure on individuals and businesses, including raising the tax-free income threshold and relaxing certain compliance requirements.

The revenue authority is considering increasing the tax-free income limit for individual taxpayers to Tk 375,000, up from the current Tk 350,000, according to finance ministry officials familiar with the matter.

The proposal is expected to be presented to Finance Adviser Salehuddin Ahmed on May 15. Then it will be forwarded to Chief Adviser Professor Muhammad Yunus on May 19 as part of the national budget preparation for the fiscal year (FY) 2025-26.

The finance adviser is likely to announce the budget on June 2.

"We are considering these measures to provide some relief at the individual level amid stubbornly high inflation over the past couple of years," said a senior finance ministry official requesting anonymity.

Over 9 percent inflation has been weighing on Bangladesh for the past 26 months, significantly eroding real incomes.

In April, the inflation rate stood at 9.17 percent, according to the Bangladesh Bureau of Statistics (BBS).

In the fiscal year 2023-24, the government increased the tax-free income limit by Tk 50,000 from Tk 300,000.

Given the ongoing cost-of-living crisis,

CHANGES IN NEXT BUDGETS

Tax-free income limit may rise to Tk 3.75 lakh	Govt may relax rules on corporate tax	Tax exemption may not be extended for various sectors	RMG sector may continue enjoying reduced tax rate
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Proof of submission of return (PSR)

NBR may relax PSR requirements for at least **5** services

PSR may be needed for buying savings certificates worth over Tk **10** lakh

ZERO RETURNS
16 lakh online returns were submitted this year, two-thirds of them were zero returns

economists and business groups have repeatedly called for a revision of the tax-free income threshold.

In March, the Centre for Policy Dialogue (CPD) recommended increasing the cap by Tk 50,000, while the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) urged the government to raise it to Tk 450,000.

Other business associations have echoed these calls, arguing that the current threshold no longer aligns with economic realities.

In addition to raising the tax-free income limit, the government is also considering easing the requirement to submit proof of income tax return filings for purchasing savings certificates.

Currently, individuals investing more than Tk 5 lakh in savings instruments must provide proof of the previous year's tax return.

According to officials, the investment threshold could be doubled to Tk 10 lakh to facilitate investments, particularly for low and middle-income earners.

Starlink gets 90-day waiver to operate without local gateway

MAHMUDUL HASAN

The internet regulator in Bangladesh has granted Starlink permission to supply bandwidth from outside the country for 90 days.

This decision comes after Starlink requested the Bangladesh Telecommunication Regulatory Commission (BTRC) to grant a temporary waiver, as the company's 90-day deadline to launch services in Bangladesh would expire before a local gateway could be established.

"We have allowed Starlink to supply bandwidth without a local gateway for 90 days," BTRC Chairman Md Emdadul Bari said yesterday.

He added that the waiver was granted since Starlink would be unable to make its local gateway operational within the government's targeted timeline for launching services.

In March, Chief Adviser Muhammad Yunus directed authorities to ensure Starlink's commercial launch within 90 days.

According to the satellite internet guidelines in Bangladesh, providers must route their internet traffic through local gateways and connect to an International Internet Gateway (IIG) for data transmission.

As such, it remains unclear whether Starlink will be permitted to launch commercial services while supplying bandwidth from outside the country's gateway infrastructure.

On April 29, the BTRC granted Starlink a licence to operate satellite internet services in the country.

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New powers, old questions: Can BB clean up the banking sector?

KEY POINTS		
Bangladesh Bank granted new legal powers to take action	Bridge banks to be introduced to manage ailing banks	'Bank resolution fund' to be created under the ordinance
Previous govt was reluctant to bail out weak banks	BB governor signals tougher stance against scam-hit banks	Ordinance offers opportunity for structural reform

MD MEHEDI HASAN

In what is seen as a landmark step toward restoring financial discipline, Bangladesh's interim government recently granted the central bank sweeping new powers to intervene in the troubled banking sector.

The Bank Resolution Ordinance 2025, gazetted on Friday, gives the Bangladesh Bank broad authority to take action against any of the country's 61 scheduled banks, including private, state-owned, and foreign institutions.

At least a dozen banks are believed to be in bad shape, with some surviving only by availing emergency liquidity support from the central bank.

Under the new ordinance, the Bangladesh Bank can forcibly transfer ownership of a failing bank to a state entity. It also allows immediate intervention by triggering formal resolution proceedings in cases of fraud or gross mismanagement, such as when owners of banks divert funds for personal gain.

The ordinance also introduces "bridge banks", a powerful regulatory tool.

These are temporary, state-owned institutions set up to take control of a failing bank's viable operations, ensuring that banking services continue uninterrupted while a long-term solution, such as a sale, merger, or liquidation, is arranged.

However, analysts warn that the effectiveness of the framework hinges not on the strength of the law, but on

the willingness of the authorities to act. The ordinance is in place. Now the question is: will it be used?

The law mandates that a bridge bank must not operate beyond two years from the date of the final asset transfer. At the end of this period, Bangladesh Bank may dissolve the bridge bank, merge it with another institution, or sell its assets and legal rights to a third party.

This hard deadline is intended to avoid indefinite state ownership and ensure that bridge banks serve as temporary stabilisation mechanisms rather than long-term bailouts.

A Bank Restructuring and Resolution Fund will also be created to finance such interventions, drawing contributions from the government, international lenders, and risk-based levies on banks.

For years, economists and banking experts have urged a reduction in the number of banks, calling for mergers or the liquidation of weak institutions. But successive governments have been reluctant to act.

During the Awami League's tenure, officials argued that closing a bank, even in cases of severe capital shortfalls or poor governance, would destabilise the financial system.

Instead, insolvent banks were propped up by recurrent support from central bank, often involving printing money, a practice that economists say fuelled inflation and deferred necessary reforms.

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Stocks rise after CA's five-point directive

STAR BUSINESS REPORT

Dhaka stocks rose yesterday after the chief adviser issued a five-point directive to strengthen the capital market, including plans to sell government stakes in state-run and multinational firms.

The benchmark DSEX index gained 19.27 points, or 0.39 percent, closing at 4,921.55. This marked the second consecutive session of gains, following Thursday's nearly 100-point rally.

The Shariah-compliant DSES index edged up 0.15 percent to 1,075.89, though the blue-chip DS30 index dipped 0.27 percent to 1,815.50.

During a meeting on market development on Sunday, Chief Adviser Muhammad Yunus issued the five directives.

Those include offloading shares of well-performing state-owned companies and listing them on the stock market as part of efforts to revitalise the capital market.

The measures aim to improve liquidity by increasing the supply of high-quality shares.

Yesterday, turnover, a key indicator of market activity, dipped slightly to Tk 364.09 crore from Tk 366.06 crore in the previous session.

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To support its continuous business growth, BRAC Bank is currently looking for an ambitious, goal-oriented, enthusiastic individual for the following position in its Retail Banking Division:

Head of Retail Lending

Employment Type : Full-time
Job Location : Dhaka
Reporting to : Head of Retail Banking
Job Grade : Senior Vice President/ Executive Vice President

KEY RESPONSIBILITIES:

- The incumbent will be responsible for strategic planning and development in the Retail Lending segment to ensure that the overall business target is achieved.
- The incumbent will be responsible to design new and innovative products to meet dynamic customer demands and increase the market share of the bank through an incremental increase in lending.
- The role holder will also be responsible for formulating new strategies to properly cater to existing and prospective retail customer base, execution of action plans to optimize business performance and take initiatives to improve productivity and efficiency of the entire team, while adhering to thorough due diligence, operational process, policies and control.

KEY QUALIFICATIONS:

- Graduation from a reputed university with a satisfactory academic track record.
- 10+ years of experience preferably in retail banking products / retail lending team with 3+ years of team handling experience preferably in any bank / financial institution.
- Thorough knowledge on banking fundamentals, banking products and industry insights.
- Excellent interpersonal, communication and collaboration skills to work with cross functional teams.
- Must be a team player, ability to lead a dynamic team independently and keen to develop others.

BRAC Bank is a values-based organization and believes in protecting all its stakeholders, including the coworkers and the community we work in, from all forms of harassment, abuse, neglect, exploitation, and discrimination. As an equal opportunity enabler, BRAC Bank encourages applications from any gender-diverse individuals and persons living with disability. We consider personal persuasion as a disqualification of candidature. We do not charge any fee at any stage of the recruitment process.

If you are interested in taking up the challenge, please send your resume at career@bracbank.com

Only short-listed candidates will be communicated for the next stage as per the recruitment process. BRAC Bank reserves the right to accept or reject any application without assigning any reason, whatsoever.

Application Deadline: **May 20, 2025**