

# Star BUSINESS



Non-civil service specialists can now serve as Bida exec member

JAGARAN CHAKMA

In a first for state-run entities, the Bangladesh Investment Development Authority (Bida) can now have people outside the civil service as executive members, as the government aims to draw specialists from the private sector, academia, and international organisations.

The Ministry of Law, Justice and Parliamentary Affairs issued a notification on August 10 amending the BIDA Act, 2016 in this regard.

Previously, the positions were strictly reserved for government officials of additional secretary rank or above, appointed on deputation.

A new clause states that from now on, "any other person" may be appointed "for a term and on conditions determined by the government."

Officials said the move was aimed at widening the pool of candidates and attracting professionals with specialist expertise.

However, without safeguards, the reform could weaken the institution rather than strengthen it, they warned.

Former Bida Executive Chairman Serajul Islam opined that the success of the amendment will depend entirely on how it is implemented.

"The recent amendment can bring real value, provided that merit, relevant experience, and commitment are the guiding criteria," he said.

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BB AUTONOMY

## Without political will, reforms may stay on paper

Say economists as changes to central bank law deferred for further discussion

REJAUL KARIM BYRON and AHSAN HABIB

Economists have welcomed the interim government's initiative to grant full autonomy to the Bangladesh Bank (BB) but say the reforms will remain on paper unless political parties commit to endorsing and continuing them once in power.

The call comes as the central bank board, at a meeting on Wednesday, cleared amendments to the Bank Company Act but deferred the draft Bangladesh Bank Ordinance (Amendment) 2025 for further discussion.

Bank Company Act is the main law governing how banks operate in the country, while the Bangladesh Bank Order is the founding law that created the BB.

The board instructed officials concerned to submit a detailed breakdown of the proposed changes, their rationale, and the sections to be amended, for consideration in a separate meeting.

THE PROPOSED AMENDMENTS

The draft ordinance, prepared in line with the recommendations of the International Monetary Fund (IMF), proposes sweeping governance reforms aligned with global best practices.

It would elevate the governor's post to ministerial rank, require an oath before the chief justice, and introduce a double-layer appointment process.

According to draft, a six-member search committee would propose candidates, from which the president would make the final choice on the prime minister's recommendation, subject to parliamentary approval and "fit and proper" criteria.

BB board of directors would comprise the

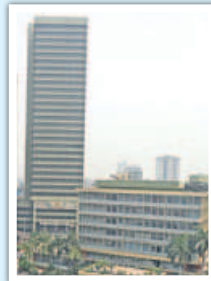


PHOTO: PRABIR DAS

What's in the draft law

- » President to appoint the BB governor on the PM's advice
- » Governor, deputies to be sworn in by the chief justice
- » The initial term for a governor to be six years
- » The rank is to enjoy the same status as a minister
- » Removal will require parliament's approval
- » No govt official to be allowed on the BB board
- » BB board defers discussion on the draft for more details

VIEW OF ECONOMISTS

Political buy-in is crucial for lasting BB autonomy reforms

Parliamentary backing, bureaucratic cooperation are needed

Finance adviser supports autonomy but insists on accountability

The IMF requires ordinance approval by Sep, and enactment by Dec

governor, two deputy governors nominated by the governor, and eight other directors appointed by the government from a list submitted by the governor.

No serving government officials could sit on the board, and no appointments could be made outside the nominated list.

NEED FOR POLITICAL WILL

Speaking on the proposed amendments, Prof Mustafizur Rahman, distinguished fellow at the Centre for Policy Dialogue (CPD), said the government is taking steps to "somewhat restrict the hands and feet of politicians," but political actors could still undermine the reforms if they want.

"That's why this must be viewed by politicians from a perspective of enlightened self-interest," he said, noting that reforms cannot always be implemented without political will.

"They should recognise that if the Bangladesh Bank remains independent and can make decisions independently, it will be good for the country's

economy and for politics as well. Because if the economy fares well, politicians can also remain at ease," the economist added.

He stressed that the appointment process must ensure professionalism and parliamentary scrutiny, making the governorship "like a constitutional post, providing both security and accountability."

"In a democratic system, parliament is the highest body. If democracy is well-established, then they will have both the opportunity to work independently and the accountability," he added.

INDEPENDENCE ON PAPER VS PRACTICE

Prof Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem), said independence of the BB has long been demanded, but rules alone cannot guarantee it.

He argued that there must be political commitment to ensure the BB's autonomy, and the ordinance must be endorsed by future parliaments.

"Many of our commissions are, on paper, already given independence, or in many cases, their appointments are bound by

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## Govt raises training allowances by up to 50%

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The government has raised the honorarium and training allowances by up to 50 percent for subject-based in-house training programmes conducted by ministries, divisions, and their subordinate directorates and offices.

The finance ministry issued a notification yesterday for the revised allowances, which were last fixed in May 2019.

The session fee for trainers at the grade-3 or joint secretary level and above has been increased by 44 percent, from Tk 2,500 to Tk 3,600 per hour. For trainers at the grade-4, grade-5, deputy secretary, and lower levels, the session fee has been increased by 50 percent, from Tk 2,000 to Tk 3,000 per hour.

The training allowance for trainees from grade-9 to higher-level employees has been doubled, from Tk 600 to Tk 1,200.

For trainees from grade-10 and lower-level employees, the allowance has also been doubled, from Tk 500 to Tk 1,000.

The honorarium for course directors has been increased by 33 percent, from Tk 1,500 to Tk 2,000 per day.

For course coordinators, the honorarium has been raised by 25 percent, from Tk 1,200 to Tk 1,500 per day.

Support staff will now receive Tk 1,000 per person per day, up from Tk 500, a 100 percent increase.

Itekkharuzzaman, executive director of Transparency International Bangladesh, told The Daily Star that providing such allowances to government officials is an abuse of power, unethical, and immoral.

"Our experience shows that such allowances often lead to inflated budgets, unnecessary projects, and excessive expenditures under the pretext of training, both at home and abroad."

This undermines good governance and hampers the practice of transparency and accountability, he said.

Government officials already receive salaries and benefits for performing their duties. Receiving training is part of their professional responsibilities, he mentioned.

There is no justification for financially rewarding them further with additional allowances for something that falls within their job description, he said.

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## Bangladesh should align labour laws with global standards: EU

STAR BUSINESS REPORT

The European Union (EU) has underscored the urgent need for Bangladesh to align its labour laws with international standards, signalling that improved labour rights and compliance are essential.

A high-level delegation from the EU made this call during a meeting with the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Mahmud Hasan Khan, and other members at the association's office in Dhaka on August 13.

The delegation mentioned that reforming labour laws in accordance with the International Labour Organization standards is a key demand of the European Union, according to a press release.

The BGMEA president said that the welfare of workers is the association's highest priority, and it stands in solidarity with every fair and legal demand of the workers.

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To quickly resolve issues such as unpaid wages or other legal matters of workers, the BGMEA has taken the initiative to establish zone-based worker welfare centres in Gazipur, Ashulia, Mirpur and Narayanganj.

Khan said his board held meetings with 81 worker federations immediately after taking charge to ensure healthy industrial relations in the garment sector.

The BGMEA has made a special request to the EU ambassador to relax the 37 percent threshold of the Generalised Scheme of Preferences Plus scheme in order to maintain the flow of exports to the EU market.

BGMEA leaders said that the duty-free benefits Bangladesh enjoys in the EU not only benefit Bangladeshi entrepreneurs but also allow EU buyers to purchase garments at affordable prices.

Therefore, they stressed that this benefit should be reflected in the buyers' sourcing policies.

After graduating from least developed country status, Bangladesh will have to compete freely in the market, European Union Ambassador to Bangladesh Michael Miller said.

Therefore, priority must be given to infrastructural development, improving the efficiency of the Chattogram port, and enhancing capacity and skills in various sectors, he said.

## Telecom reforms revolve around efficiency, price cuts



MAHMUDUL HASAN

Over the past year, the interim government has pushed reforms in the telecom sector to improve service, remove unnecessary layers, and lower costs for consumers.

Some initiatives are already in place, while others remain on paper. Authorities say full implementation could bring the sector in line with international standards.

At the centre of the overhaul is the draft "Telecom Network and Licensing Reform Policy 2025", prepared by the Ministry of Posts and Telecommunications and the Bangladesh Telecommunication Regulatory Commission (BTRC). The draft is yet to be finalised.

It proposes a simplified licensing system, limits on foreign ownership, and the removal of costly intermediary layers that inflate prices.

Currently, the sector operates a confusing network of six or seven licensing layers. The draft reduces this to three: international, national, and service.

Foreign ownership would be capped at 49 percent for the international layer and 55-60 percent for the national layer. Internet service providers (ISPs) would benefit from a "light-touch" regime with less paperwork.

The biggest change is the planned removal of middle-



PHOTO: STAR/FILE

layer companies, including Interconnection Exchanges (ICXs), International Gateways (IGWs), and International Internet Gateways (IIGs).

Introduced in 2008 to stop illegal internet calls (known as VoIP), these companies often acted as middlemen, charging fees without adding value.

Mobile operators were banned from connecting calls from each other directly, forcing them through ICXs.

A cartel was formed by some of these companies in 2014, called the IGW Operators Forum, controlling call termination and funneling Tk 631 crore to a Beximco-linked account. The BTRC cancelled their authority earlier this year.

IIGs, originally to manage international internet traffic, are now redundant as ISPs and mobile operators can handle

bandwidth directly.

"Despite minimal infrastructure investment, often with just a few crores of taka, licensees extracted hundreds of crores through strategic positioning and regulatory shielding," said Faiz Ahmad Taiyeb, special assistant to the chief adviser for posts and telecom.

With many ICX and IGW licences expiring in 2027, the BTRC says it will not renew them. Removing these layers should lower prices and improve efficiency without harming security or monitoring.

Telecom operators have cautiously welcomed the changes.

"Overall, the policy is a good start, and we welcome it," said Shahed Alam, chief corporate and regulatory affairs officer at Robi Axiata.

"However, we have raised some

## Nearly 100,000 taxpayers file e>Returns in first 10 days

STAR BUSINESS REPORT

Around 100,000 taxpayers have submitted their income tax returns online in the first 10 days after the opening of the portal for the assessment year 2025-26, according to the National Board of Revenue (NBR).

In a press release yesterday, the NBR said a total of 96,945 individual taxpayers filed their returns between August 4 and August 13, five times higher year-on-year.

Officials credited the surge in participation to the government's renewed push for digitisation after Finance Adviser Salehuddin Ahmed inaugurated the e-return filing on August 4.

On August 3, the NBR issued a special order making online filing mandatory for all individual taxpayers, excluding those aged 65 or above, physically disabled taxpayers, Bangladeshi expatriates, and legal representatives of deceased persons.

The order was amended on August 11 to also exempt foreign nationals working in Bangladesh.

Taxpayers facing problems can apply to the deputy tax commissioners of their respective tax circles with justification by October 31, 2025.

With approval from the additional or joint tax commissioners, they may file a paper-based income tax return.

Taxpayers can file

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