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## No refund for notes bearing slogans: BB

STAR BUSINESS REPORT

No currency notes bearing religiously provocative or political slogans, ideologies, or promotional messages for any individual or product will be refunded from now on, according to a new regulation introduced by the central bank.

The Bangladesh Bank Note Refund Regulations, 2025, also state that claims involving notes that have been deliberately cut, torn, perforated, or presented as part of a note will be rejected.

The regulations, introduced on October 9, which repeal the Bangladesh Bank Note Refund Regulations, 2012, took effect immediately. If an officer is not satisfied with the characteristics or authenticity of a damp note, the claim will be rejected.

"For a single, continuous banknote: if more than 90 percent remains, the full value will be reimbursed. If less than 51 percent is present, the claim will be rejected. If 51-75 percent remains, 50 percent of the value will be paid; if 75-90 percent remains, 75 percent will be reimbursed."

Claims for burnt notes must be settled by a committee appointed by the bank's head office, the regulation states. The committee must be headed by an officer of the rank of

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## New law to fully insure 93% of bank depositors

Non-bank savers will also come under deposit protection by 2028

STAR BUSINESS REPORT

The government has approved amendments to the Deposit Protection Act, proposing an increase in the protection limit for bank deposits to Tk 2 lakh.

Around 93 percent of all bank accounts in the country hold deposits within this level, according to the finance ministry's proposal for the amendments, which drew on central bank data.

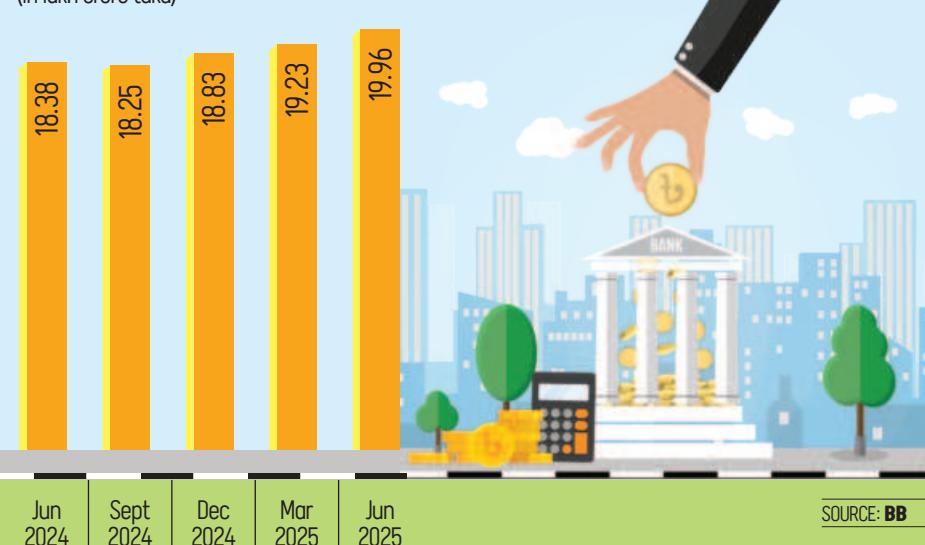
Besides, non-bank financial institutions (NBFI) will also be brought under the deposit protection framework for the first time. But non-bank depositors will have to wait until July 2028 to receive legal coverage under the new framework.

The amendment, approved at an advisory council meeting on Thursday last week, introduces several new measures.

These include extending protection to NBFI depositors, setting up separate protection funds for banks and non-banks, ensuring faster payment of protected deposits, offering conditional financial assistance during bank mergers, and safe investments of the protection fund.

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Trend of deposits in banks  
(In lakh crore taka)



SOURCE: BB

While bank customers already receive insured payouts within the timeframe set by existing resolution mechanisms, NBFI depositors will have to wait until mid-2028, said a senior finance ministry

official.

NBFIs are currently not included in the Bank Deposit Insurance Act 2000 and have no deposit protection mechanism of their own.

Under the amended law, separate protection funds will be created for banks and financial institutions.

NBFIs will have to join the insurance fund by July 1 of 2028, and pay 0.5 percent of their paid-up capital into the deposit protection fund by July 31, according to the draft.

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## Bank mergers and NBFI windups: What's in store for shareholders?

### ANALYSIS

AHSAN HABIB

The Bangladesh Bank's move to liquidate nine ailing non-bank financial institutions (NBFI) and merge five struggling banks marks one of the most sweeping clean-ups of the financial sector in recent years. The move is aimed at restoring stability in the country's volatile financial sector, marred by rampant systemic corruption.

But while the regulator's actions are well-intentioned, they have raised questions about the fate of thousands of small investors: what will happen to the money they poured into those firms?

Of the 14 institutions on the chopping block, 13 are listed on the stock market. Together, general shareholders hold around 550 crore shares with a face value of Tk 5,500 crore. Many of them now face a grim prospect, with those shares effectively becoming worthless.

The nine NBFI headed for liquidation are in deep financial distress – weighed down by high levels of classified loans, negative capital adequacy, ballooning liabilities, and years of consecutive losses. In such circumstances, liquidation leaves virtually no room for equity holders to recover their investments.

The asset base of these institutions has eroded to the point that even depositors are expected to lose a substantial amount after the liquidation process. Shareholders, who are legally the last to be compensated, are unlikely to get anything back at all.

"Shareholders have a stake in the assets and liabilities of the merged banks," he said. "But since the banks' net asset values are negative, shareholders would only be entitled to shares in the new bank if they first paid off the liabilities, which are much higher than their assets."

"In short, the banks' assets and liability situation is not in favour of shareholders," he added.

To prevent a collapse that could shake depositor confidence, the government is stepping in with fresh capital, effectively using taxpayers'

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## NBR eases VAT rules on 'deemed exports'

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has introduced five new preconditions for availing of VAT exemptions on "deemed exports", aiming to make the process easier for local suppliers and encourage more exports.

Deemed exports refer to the supply of goods or services to export-oriented industries or export processing zones within the country.

According to the NBR notification issued in this regard on Thursday, suppliers must provide goods or services against internal back-to-back letters of credit, and all transactions must be made in foreign currency.

Exporters, meanwhile, must operate under a bonded or special bonded warehouse approved by customs authorities or another authorised body. In addition, all supplied goods or services must be properly recorded in the recipient organisation's Utilisation Declaration (UD) or Utilisation Permission (UP).

An NBR official said the move is intended to simplify operations for local suppliers and prevent double taxation along the export supply chain.

"The decision will help sectors such as garments, leather, and other manufacturing industries that rely heavily on deemed exports," the official told The Daily Star.

Md Bodruzzaman Munshi, second secretary of the VAT policy wing at the NBR, noted that the exemption itself was not new but rather a clarification of existing provisions.

"VAT exemption was always available, but there

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# Prime Bank holds entrepreneur development programme with BB

## STAR BUSINESS DESK

Prime Bank PLC has organised a month-long "Entrepreneur Development Training Programme" in collaboration with the Bangladesh Bank.

The programme was conducted under the "Skills for Industry Competitiveness and Innovation Program (SICIP)", financed by the Asian Development Bank (ADB) and implemented by the Finance Division of the Ministry of Finance.

A total of 25 entrepreneurs participated in the event held at Prime Tower in Nikunja, Dhaka yesterday.

Nawshad Mustafa, director of the SME and Special Programmes Department at the Bangladesh Bank, attended the closing ceremony as chief guest, according to a press release.

Md Nazrul Islam, programme director of SICIP and additional director of the Bangladesh Bank, and Md Ayub Ali, joint director, were present as special guests.

M Nazeem A Choudhury, deputy managing director of Prime Bank PLC, presided over the event.



**Nawshad Mustafa, director of the SME and Special Programmes Department at the Bangladesh Bank, poses for group photographs with participants of the month-long "Entrepreneur Development Training Programme", organised jointly by Prime Bank PLC and the Bangladesh Bank, at Prime Tower in Nikunja, Dhaka yesterday.**

PHOTO: PRIME BANK

Through this training initiative, Prime Bank aims to enhance the skills, business management capacity, and innovative mindset of small and medium entrepreneurs, contributing to the sustainable growth and competitiveness of Bangladesh's SME sector, the

release added.

Mamur Ahmed, head of distribution at Prime Bank PLC, and Mohammad Aminur Rahman, head of SME, along with other senior officials of the bank, were also present.



**Md Mehmod Husain, chairman of IFIC Bank PLC, poses for photographs with participants of the day-long business meeting, titled "Managers' Meet", at a local auditorium in Khulna Sadar recently.**

PHOTO: IFIC BANK

# Eastern Bank hosts conference to boost AML, CFT compliance

## STAR BUSINESS DESK

Eastern Bank PLC (EBL) yesterday organised a day-long "BAMLCO Conference" aimed at enhancing knowledge, awareness, and capabilities in anti-money laundering (AML) and combating the financing of terrorism (CFT) among its officials.

The conference featured in-depth discussions on key issues, including trade-based and credit-backed money laundering, risks associated with hundi operations, online gaming and betting, cryptocurrency, and digital fraud, along with strategies for effective risk mitigation and monitoring. Md Mofizur Rahman Khan Chowdhury, executive director and acting head of

the Bangladesh Financial Intelligence Unit (BFIU), attended the event as chief guest at the bank's head office in Dhaka, according to a press release.

In his remarks, Chowdhury stressed the importance of continuous learning and collaboration to foster a strong compliance culture across the financial sector. He commended EBL for taking the initiative to create a dynamic platform for sharing knowledge and best practices in AML and CFT compliance.

Ali Reza Iftekhar, managing director of EBL, and Ahmed Shaheen, additional managing director, were present as special guests.

AKM Nurunnabi, additional director of the BFIU; Sajjad Hossain, additional director; and Md Mahbubur Rahman, joint director, attended the event as resource persons and delivered presentations on emerging money laundering risks and regulatory challenges facing the banking industry.

Mahmood Nabi Chowdhury, deputy managing director and chief anti-money laundering compliance officer (CAMLCO) at EBL; Riad Mahmud Chowdhury, deputy managing director and head of corporate banking; M Khorshed Anowar, deputy managing director and head of retail and SME banking; and Madiuddin Ahmed, deputy managing director and head of operations, along with other senior officials, were also present.

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**Md Mofizur Rahman Khan Chowdhury, executive director and acting head of the Bangladesh Financial Intelligence Unit (BFIU), poses for group photographs with participants of the day-long "BAMLCO Conference" at Eastern Bank's head office in Dhaka yesterday.**

PHOTO: EASTERN BANK

# BRAC Bank, DBL Group partner to offer enhanced digital cash management solutions



**Abdul Wahed, chairman of DBL Group, and Tareq Refat Ullah Khan, managing director and CEO at BRAC Bank PLC, pose for photographs after signing the agreement at DBL Group's headquarters in Dhaka recently.**

PHOTO: BRAC BANK

## STAR BUSINESS DESK

BRAC Bank PLC has entered into a partnership agreement with DBL Group, one of the leading conglomerates in Bangladesh, to deliver advanced cash management solutions aimed at optimising payment operations and enhancing financial efficiency.

Tareq Refat Ullah Khan, managing director and CEO of BRAC Bank PLC, and Abdul Wahed, chairman of DBL Group, signed the agreement at DBL Group's headquarters in Dhaka recently, according to a press release.

As part of this collaboration, BRAC Bank has established Host-to-Host (H2H) connectivity with DBL Group's ERP system.

This integration enables seamless and automated payment processing, eliminating manual tasks through the bank's corporate digital platform – the CorpNet Maker module.

The digital system ensures real-time transaction updates, faster payment execution, and secure data exchange.

This partnership marks a significant milestone in BRAC Bank's efforts to empower its corporate clients with modern, efficient, and technology-driven banking solutions, the release added.

By becoming one of DBL's primary payment banks, BRAC Bank reaffirms its commitment to enhancing the corporate banking experience through innovation and digital excellence.

MA Rahim, vice-chairman of DBL Group; MA Quader (Anu), deputy managing director and group CEO; and Md Shafeen Iqbal, deputy managing director and head of treasury, FI, and corporate and institutional banking at BRAC Bank PLC, along with other senior officials, were also present.

# There's no such

FROM PAGE B4

Amazon was the standout winner among the early crop of listed dot-coms, but its stock fell by more than 90 percent. Although several telecom carriers, including WorldCom, went bust, the fibre optic cables laid during the boom provided the bandwidth for successful streaming companies such as Netflix and YouTube.

Of all these previous "innovation-accelerating" bubbles the internet mania was followed by the mildest economic downturn. That's because monetary and fiscal policy provided a buffer. Federal Reserve Chair Alan Greenspan slashed short-term interest rates to a low of 1 percent by 2002, while the US government's fiscal balance went from surplus to deficit, providing a stimulus equivalent to 5.5 percent of GDP. Unfortunately, Greenspan's easy money policy also ignited the credit and real estate booms that sparked the global financial crisis a few years later. Viewed from a medium-term perspective, the aftermath of the dot-com bubble was extremely destructive.

AI could turn out to be more transformative than any of these earlier technology bubbles. However, it is also more speculative. Whereas railways, cars and internet were proven technologies during their bubble periods, the same cannot be said of self-teaching computers.

We are witnessing a multi-trillion-dollar experiment to arrive at artificial general intelligence, where technology reaches human-like levels of reasoning. If this experiment fails, any benefits are unlikely to justify the immense costs. While earlier bubbles involved the construction of long-lasting infrastructure, the expensive graphic processors that drive the AI revolution are vulnerable to technological obsolescence. Furthermore, the construction of AI data centres is increasingly being funded with debt.

For the moment, AI-related capital spending and the wealth effect from the soaring stock market are boosting US economic growth by around 3 percent of GDP, according to Julien Garan of The MacroStrategy Partnership. Yet past technology bubbles have stopped abruptly. The authorities are less well positioned to arrest a future downturn than they were in 2000. The US government is already running a massive fiscal deficit.

The Federal Reserve's balance sheet is still bloated by past bond-buying operations and inflation remains above its target. Investors are as heavily exposed to AI as their forerunners were to internet and telecoms stocks in early 2000. They may be about to discover there's no such thing as a "good" bubble.

# UK opens door

FROM PAGE B4

The company last month announced a £5 billion (\$6.6 billion) investment in the UK over the next two years to help power the UK's AI drive.

"The UK enjoys access to the latest products and services before other countries because it has so far avoided costly restrictions on popular services," Bethell said.

The regulator noted that Google's Gemini AI assistant was not included in the designation but would be kept under review. Its other AI-based search features will, however, be included in the new status.

Britain's CMA launched in January its investigation into

Google's dominant position in the search engine market and its impacts on consumers and businesses.

It determined Friday that Google has "substantial and entrenched market power".

Google search engine accounts for more than 90 percent of online enquiries in the UK, according to the regulator. The CMA added that more than 200,000 businesses in the UK rely on Google search advertising to reach customers.

"For businesses, effective competition in general search would help keep down the costs of search advertising, in turn leading to lower prices across the economy," the CMA said.

# Trump announces deal with AstraZeneca on drug prices, tariffs

AFP, New York

US President Donald Trump announced a deal with AstraZeneca on Friday that he said would lead to significantly lower domestic drug prices in exchange for granting the pharma giant tariff relief.

The agreement, which follows a similar accord announced last month with US giant Pfizer, requires AstraZeneca to charge "Most Favoured Nation" pricing – matching the lowest price offered in other wealthy nations – to Medicaid, the US health

insurance program for low-income Americans.

Officials also said the British drugmaker had agreed to participate in a website called TrumpRx that would allow direct purchasing at reduced prices.

Mehmet Oz, the Trump-appointed leader of the Centers for Medicare and Medicaid Services, said the drugmaker would also provide "massively" discounted drugs for lung disease.

In exchange, Trump administration officials agreed to

a three-year delay on new tariffs on AstraZeneca, which had previously announced plans to invest \$50 billion in the United States in response to looming tariff threats.

"Most of our products are locally manufactured, but we need to transfer the remaining part to this country," said AstraZeneca Chief Executive Pascal Soriot, who appeared with Trump, Oz and other officials at a White House event early Friday night.

The agreement comes on the heels of a September 30 drug price

accord with Pfizer that also included three-year tariff relief.

Sky high drug prices are a perennial source of widespread ire in the United States, and have sparked numerous legislative and administrative actions the impact of which can be difficult to determine.

The White House announcement on Pfizer did not detail all of the drugs expected to see price cuts. An administration fact sheet listed three medications, but none are among Pfizer's top-selling products in the United States.

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# Bangladesh missing out on \$3tn global halal market

Businesspeople demand independent authority to issue accredited certifications

## STAR BUSINESS REPORT

Bangladesh is failing to tap into the \$3 trillion global market for halal products as exports remain below \$1 billion, mainly due to the absence of a proper ecosystem and an independent authority to issue accredited certifications, said businesspeople.

This rapidly growing industry is projected to reach \$9.45 trillion by 2034. However, Bangladesh's exports of mostly agro-based products are limited to around \$850 million, they added.

The comments came at an event organised by the Dhaka Chamber of Commerce and Industry (DCCI) in the capital yesterday.

Razeef H Chowdhury, senior vice-president of the DCCI, said that in addition to Muslim consumers, many non-Muslim countries are now showing growing interest in halal products due to their quality and hygienic production processes.

Given the current pace of expansion in the global halal market, Bangladesh has a significant opportunity to tap into this sector, he added.

"As the fourth-largest Muslim-majority country in the world, and with abundant agricultural, livestock, and fisheries resources, Bangladesh holds strong potential," he said.

However, Chowdhury expressed disappointment that currently, non-Muslim countries produce most of the halal products available worldwide.

"Bangladesh's readymade garment sector has already demonstrated its capabilities on the global stage. Now, it is time to develop the halal industry as

lack of modern laboratories and technology, and a shortage of skilled manpower, he said.

Chowdhury suggested implementing an automated certification system, establishing advanced laboratory facilities, and strengthening traceability and logistics support to overcome these barriers.

He also emphasised the need to form a "Halal Certification Board" comprising representatives of the state-run Bangladesh Standards and Testing Institution (BOSTI) and the Bangladesh Islamic Foundation (BIF) to ensure global recognition of local certificates.

Additionally, he said, Bangladesh must strictly follow the guidelines of the Standards and Metrology Institute for Islamic Countries and take strong diplomatic and commercial initiatives to promote its halal products internationally.

In a presentation, Momnul Islam, assistant professor at the International University of Business Agriculture and Technology, pointed out that both the BIF and BOSTI issue halal certificates, often resulting in procedural complexities.

He added that key barriers to the sector's development include the lack of modern equipment, skilled human resources, and supply chain systems; weak country branding; limited small and medium enterprise participation; and the absence of a unified halal policy.

Md Abul Kalam Azad, assistant manager for export at Paragon Group, emphasised the need for a digital, technology-based halal certification system and compliance audits to ensure

**Razeef H Chowdhury, senior vice-president of the DCCI, said many non-Muslim countries are now showing growing interest in halal products due to their quality and hygienic production processes**

a new driver of our economy," he added.

Despite the vast potential, Bangladesh faces several structural and institutional challenges in developing the halal industry, including low awareness of halal standards,

product quality.

AGM Sayadul Haq Bhuiyan, head of supply chain and export at Bengal Meat, underscored the importance of value addition and the use of blockchain technology to trace animal life-cycle data.

He also stressed that halal

certification authorities in Bangladesh must achieve international accreditation standards.

Abu Saleh Patwary, deputy director at the BIF, mentioned that currently no government entity is capable enough to independently issue halal certificates, for which several institutions coordinate this process.

He also emphasised enhanced government monitoring for quality assurance of halal products.

Baby Rani Karmakar,

director general-1 at the Export Promotion Bureau, highlighted that the global halal market is growing by approximately 12 percent annually, but Bangladesh is still lagging behind.

She called for concerted efforts to increase Bangladesh's market share in the global halal industry.

Ariful Hoque, director general of international investment promotion at the Bangladesh Investment Development Authority, stated that Bangladesh's halal sector

could play a vital role in export diversification following its graduation from least developed country status.

He said the government is seriously considering establishing a dedicated economic zone for the halal industry.

Aminul Islam, director general of the Bangladesh Accreditation Board, said Bangladesh is lagging behind in global halal market participation and that coordinated efforts could help unlock the sector's full potential.

## Wall Street selloff raises worries about market downturn

REUTERS, New York

Investor worries that Wall Street's record stock rally would soon fizzle loomed large on Friday after tariffs re-emerged as a market risk.

US equity markets, fresh off mid-week record highs, performed an about-face during the trading session after President Donald Trump revived threats to hike tariffs against China. Investors worried that a possible tit-for-tat trade drama between the world's two biggest economies could mark the end of a record-breaking rise in US equities.

Trump, who was due to meet Chinese President Xi Jinping in about three weeks in South Korea, questioned whether there was a reason to take the meeting and complained on social media about what he called China's plans to hold the global economy hostage after it dramatically expanded its rare earths export controls on Thursday.

Late on Friday, after Wall Street's official trading session had ended, Trump said he would impose an additional 100 percent tariff on imports from China on November 1, as well as export controls on critical US-made software. The Republican President said he had not canceled the meeting with Xi but his tariff threats sent market heavyweight shares tumbling.

Nvidia, Tesla, Amazon.com and Advanced Micro Devices all fell more than 2 percent after the bell.

**TARIFF TALK DRIVES DOWN MARKET**

During the regular trading session, Wall Street stocks had already sold off sharply. The Dow Jones Industrial Average had closed down 1.90 percent while the S&P 500 finished down 2.71 percent, and the Nasdaq Composite lost 3.56

percent on the day.

The S&P 500 and the Nasdaq recorded their largest single-day percentage drops since April 10.

The selloff raises concerns that high stock market valuations propelled by enthusiasm over artificial intelligence might lead to a significant downturn.

The S&P 500 and the Nasdaq hit record highs on Thursday and are up about 11 percent and 15 percent, respectively, in 2025. The Dow has gained about 7 percent year-to-date. Sky-high valuations have rekindled memories of the late 1990s dotcom bubble that burst in 2000.

JPMorgan Chase CEO Jamie Dimon, in a BBC interview on Wednesday, warned of a heightened risk of a significant Wall Street correction within the next six months to two years.

"With equities at high valuations, this selloff is a sign of jitters," said Gene Goldman, chief investment officer at Cetera Investment Management. "Everything is priced for perfection, so the uncertainty increases market jitters. All of this adds uncertainty to economic growth."

In April, Trump's announcement of what he called Liberation Day tariffs stunned markets and sent investors scrambling, causing S&P 500 companies to shed a combined \$2.4 trillion in market value.

However, some investors say the latest US-China trade tensions are unlikely to significantly change the market trajectory, with AI remaining the driving factor.

"This is definitely a significant issue, and it could warrant a pullback but I don't necessarily see it derailing the AI theme that's been driving the market," said James St. Aubin, chief investment officer at Ocean Park Asset Management.

## New law to fully insure

FROM PAGE B1

The contribution rate will vary according to each institution's risk profile.

Of the country's 35 NBFI, 21 are in poor financial health, according to the Bangladesh Bank. Of them, nine are under consideration for liquidation.

All the 35 non-banks collectively hold deposits of nearly Tk 50,000 crore, up 4 percent year-on-year, spread across about 4.8 lakh accounts.

The average deposit per account stands at Tk 10.36 lakh, as per the central bank.

### PAYOUT TIME CUT TO 17 DAYS

Once the new ordinance is enacted, depositors of the five sharia-based banks currently undergoing merger will be entitled to receive up to Tk 2 lakh. The payout period for protected deposits will be reduced from 180 days to just 17 working days.

Under the existing Deposit Insurance Act, banks maintain a protection fund. It is financed by premiums collected from their deposits. From it, Tk 12,000 crore will be used to recapitalise the merger of the five sharia-based commercial lenders.

As of June this year, total deposits in the banking sector stood at about Tk 20 lakh crore, up 9 percent from a year earlier.

The number of bank accounts rose to 16.9 crore from 15.84 crore, with an average deposit per account of Tk 1.18 lakh.

### BB TO OVERSEE NEW AUTHORITY

Once in force, the Deposit Insurance Ordinance will replace the Bank Deposit Insurance Act 2000, marking a shift towards aligning the country's deposit protection system with global standards.

The ordinance will set up a Deposit Protection Authority under the supervision of the Bangladesh Bank (BB).

The authority will oversee all deposit insurance activities and manage two separate funds, the Deposit Protection Fund for banks and the Deposit Protection Fund for NBFI, to handle

risks independently across banking and non-banking sectors.

Each fund will have its own board and director, with no transfer of resources between them. A dedicated department will be created within the central bank to administer the scheme.

Premium rates will be based on each institution's risk exposure. Banks and NBFI will contribute annually through regular and special premiums.

The fund will also receive revenue from penalties and other sources, while investment earnings will be reinvested.

Banks and NBFI will be required to submit lists of insured deposits to the authority. The central bank will notify depositors if a bank decides to close.

For individuals holding multiple accounts, all accounts will be treated collectively under a single depositor profile during payout.

## Bitcoin extends decline to \$104,782

REUTERS

Bitcoin, the world's largest cryptocurrency by market value, extended declines on Friday after US President Donald Trump escalated his trade conflict with China.

Trump on Friday said he was raising tariffs on Chinese exports to the US to 100 percent and imposing export controls on "any and all critical software" in a reprisal to recently announced export limits by China on rare earth minerals critical to tech and other manufacturing.

The spat shook global financial markets, sending the benchmark S&P 500 Index sliding by more than 2 percent.

Bitcoin was last down 8.4 percent at \$104,782 as of 17:20 ET (2120 GMT).

Ethereum, the world's second-largest cryptocurrency, fell 5.8 percent to \$3637 at 17:21 ET.

## WEEKLY STOCKS

### Indices slide on weak investor confidence

STAR BUSINESS REPORT

Equities on the Dhaka Stock Exchange (DSE) closed lower last week as investors remained cautious during the ongoing earnings season, with sentiment further dampened by a tax hike on securities income.

The benchmark DSEX index shed 132.07 points, or 2.44 percent, to finish at 5,283.72, while the DS30, which tracks blue-chip stocks, and the DSES, comprising Shariah-compliant companies, also declined, according to DSE data.

The sell-off was driven by uncertainty over earnings and dividend declarations of June-closing companies, alongside the government's decision to raise the source tax on income from government and other securities to 15 percent from 10 percent, said brokerage house EBL Securities in its weekly review.

Turnover, however, surged to Tk 3,285.63 crore, up from Tk 1,860.32 crore a week earlier, partly due to the shortened trading week caused by the Durga Puja holidays.

"Notable buying interest was witnessed in general insurance stocks, buoyed by optimism over potential business expansion prospects following the central bank's recent directive allowing the export of goods on open-account credit terms against coverage from domestic insurance companies," EBL Securities said.

The general insurance sector accounted for the highest investor activity at 11.8 percent of turnover, followed by pharmaceuticals at 10 percent and textiles at 9.7 percent, while travel dropped by 7 percent to become the week's worst performer.

Market breadth was negative, with 298 issues declining, 79 advancing, and 19 remaining unchanged.

## US threatens to sanction nations that back shipping carbon tax

AFP, Washington

The United States on Friday threatened to impose sanctions and take other punitive action against any country that votes in favor of a carbon tax on maritime transportation to be implemented through a UN agency.

"We will fight hard to protect our economic interests by imposing costs on countries if they support" the Net Zero Framework, said a joint statement by US Secretary of State Marco Rubio and his counterparts at the departments of energy and transportation.

Members of the London-based International Maritime Organization (IMO) are set to vote next week on the adoption of the Net Zero Framework (NZF) agreement aimed at reducing global carbon emissions from the shipping sector.

Washington, however, described the proposal as imposing a global carbon tax on the world."



## No refund

FROM PAGE B1

currency officer, executive director, or director, with no member below the rank of deputy director.

The unburnt portion must be sufficient to verify the note's main features and authenticity, constituting at least 51 percent of the original note.

For burnt notes fragmented into multiple pieces, the serial numbers on both ends (where applicable) must remain intact, and the combined area of fragments containing the serial numbers must total at least 60 percent of the note.

The regulations also mention the security features of a genuine note, which include paper quality of a specific standard, the size and shape of the note's serial number, security thread, colour-shifting ink, intaglio printing, symbols for the visually impaired, watermark, latent image writing, microtext, and iridescent stripe.

## NBR eases

FROM PAGE B1

was some confusion. We have just made the rules clearer," he explained.

Mohiuddin Rubel, former director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), welcomed the clarification.

"Earlier, many non-bonded factories or suppliers were discouraged by various complications. Now they'll feel more encouraged, knowing there's no longer any hassle in selling goods to exporters," he said.

Rubel added that the change allows local suppliers to operate legally and confidently, while buyers can source without worrying about procedural hurdles.

"Previously, such concerns often pushed us to import or buy from bonded sources, which indirectly hindered exports. With this change, exports will hopefully gain new momentum," Rubel said.

## Bank mergers

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money to recapitalise the new bank. But those funds will go toward issuing new shares in the government's name, not to compensate private shareholders.

"There is no chance for shareholders to get anything. All the banks' NAVs per share are negative. Very soon, shareholders will see that they have nothing left against their investment," said Saiful Islam, president of the DSE Brokers Association.

He added that while depositors are protected under an insurance scheme, shareholders are not. "This will be a hard lesson for investors. They must invest cautiously. When a company's ability to continue operating is in doubt, it means there is a real possibility of shareholders losing everything."

Islam, however, pointed out

that many small investors appear undeterred. Even as liquidation and mergers threaten their holdings, they continue buying shares of long-troubled companies. On Thursday, for instance, shares of Familytex BD — a loss-making firm for at least seven years — rose by 6 percent to become the third-highest gainer on the Dhaka Stock Exchange (DSE).

"This is not an isolated case," he noted. "It has become common for investors to chase non-performing companies."

The stock market is a place where investors are expected to put money after evaluating a company's performance. If a company fails to perform, shareholders will have to bear the loss. If the company performs well, shareholders will benefit. "So, naturally, shareholders are expected to be responsible."



Sabbir Ahmed

MAHMUDUL HASAN

As digital payments continue to rise in Bangladesh, concerns about online fraud and transaction security have grown. Keeping the system secure depends on shared responsibility among banks, payment service providers and users, according to Sabbir Ahmed, country manager of Visa for Bangladesh, Nepal and Bhutan.

In an interview with The Daily Star, Ahmed talked about how digital payments have changed, the measures needed to protect customers, and the increasing importance of public awareness.

"In Bangladesh, we are seeing that digital transactions are increasing, and digital awareness is growing. With the rise of digital transactions, digital security questions also arise. Some incidents of online fraud and transaction fraud occur."

"So, all the participants in the digital transaction ecosystem need to play their roles. Everyone is doing their part differently, and this requires sufficient focus and attention," said Ahmed.

The Visa country manager compared the risks of digital fraud with those faced in traditional banking.

"Earlier, in conventional banking, we used to write a cheque. That cheque had a signature, and we would go to the bank counter to withdraw money. The bank would check whether the cheque was issued by the bank or if it was fake. The bank would match your signature with their records and authenticate the transaction accordingly," said Ahmed.

He said that even before digitalisation, forgery and fraud existed. "Sometimes one could get another person's cheque and attempt to withdraw money by forging the signature. Pay orders or cheques could even be created to mimic a bank's own format."

Ahmed said conventional banking relied on a two-factor process. The cheque itself was the first layer, while the signature was the second, verified

by the bank before the payment was approved.

"Now, in digital transactions, there are still two factors," he said. "Suppose you are a debit or credit cardholder. You have a card. That card is factor one. It contains security instruments. For example, the 16-digit card number, the expiry date, and the three-digit CVV at the back."

"These details should only be known to you and no one else. That is factor one."

He said the second factor is the one-time password, or OTP. "An OTP is sent

country, some customers receive calls from people posing as bank employees. They say your card will be blocked and ask for the OTP."

Clients, due to a lack of awareness, sometimes share the OTP, just like signing a blank page. Sharing OTP is essentially the same risk."

He urged customers to be more cautious. "Clients should never hand over their card to anyone. If paying at a restaurant or shop, ask for the card machine and pay in front of you so your card details remain secure. This is one."

cheque protection. "Everyone knows how to protect their cheque book or signature. The same attention should be given to protecting your card data and OTP."

He added that banks should invest in training and constant vigilance. "At the bank end, there should also be a focus on security and providing training on cyber risks. Recently, we conducted training for our bank partners, sharing global incidents and the latest fraud trends. Any new fraud incident reported comes immediately to our bank partners."

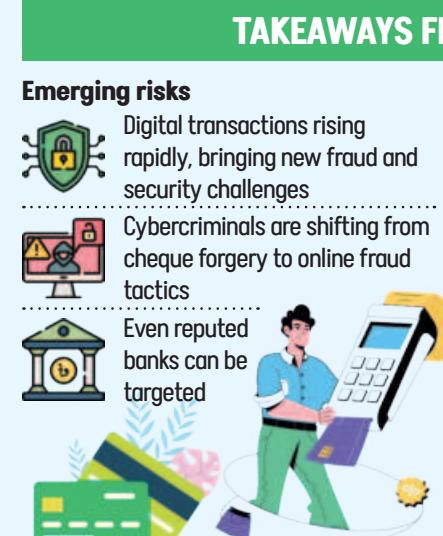
He outlined Visa's compliance framework. "Visa has requirements for all clients using their cards. If fraud occurs, banks must report it to Visa. These reports help us observe trends."

Ahmed said any entity storing card data must be certified under the Payment Card Industry Data Security Standard (PCI DSS), a set of global requirements from major credit card companies.

"Only certified merchants can store card information. This is mandatory. For instance, if a customer pays via bKash or Daraz, only PCI DSS-certified merchants can store card details. This ensures security and protects the customer."

He highlighted tokenisation as another safeguard. "Tokenisation is another step to enhance security. Earlier, merchants used to store full card details. Now, when a card is tokenised, its details are replaced with a unique token. When you make subsequent transactions, the token travels, not the actual card details. Even if someone tries to intervene, they cannot access your card information. This makes transactions much more secure."

He explained how it works in practice. "If you save your card in Google Wallet through a bank like City Bank, the card is tokenised. When paying at a merchant, the token is used. The transaction is approved within seconds. Card details are never exposed, making the system safer."



to a client's registered mobile number when the client wants to transact online or at a POS terminal. The client must enter this OTP or PIN. This is the second factor of authentication."

Ahmed said the logic behind both manual and digital transactions is the same, though the format has changed. "Now, in digital transactions, the two factors, card details and OTP or PIN, are targeted by threat actors who try to intervene."

He described common scams used to trick customers. "Nowadays, in our

He added that banks must stay alert to phishing and malware threats. "Many fraudulent messages ask employees to click on links that give attackers access to the device."

Today, an email statement on your phone can contain extensive financial information. Malware can capture everything, including internet banking credentials."

Ahmed said users should always check that a website is secure before making payments.

He compared this to old habits of

## There's no such thing as a 'good' bubble

REUTERS, London

Even the tech titans admit we are in a bubble. There will be plenty of losses to go round, they say, but the massive investment in artificial intelligence will leave everyone better off. In short, what we're seeing is a "good" bubble rather than the debt fuelled "bad" version that blew up during the global financial crisis of 2008. Such wishful thinking invariably appears during speculative manias. The truth is that while booms often accelerate the development and deployment of new technologies, they also produce painful busts.

OpenAI boss Sam Altman acknowledges that some people are going to lose "a phenomenal amount of money" when the AI bubble bursts. Jeff Bezos made a similar point last week. The excitement around the new technology has become so great, says the Amazon.com founder, that both good and bad ideas are getting funded. Still, says Bezos, when the dust settles AI will deliver "gigantic benefits" to society.

The notion that certain bubbles are inherently benign is the thesis of the recently published book "Boom: Bubbles and the End of Stagnation" by Byrne Hobart and Tobias Huber. The authors distinguish between that they call the "innovation-accelerating bubble" and those driven by financialisation and easy money. The former, in their view, "is not simply a collective delusion but an expression of a future that is radically different from our own." Bubbles are useful, the authors say, because they induce people to take more risk.

"Every financial mania," they write, "requires some suspension of disbelief and unshakable faith that the idea at its core will pan out...these delusions are more rational than they appear, if only with hindsight." Bubbles create their own "reality distortion fields" which bend the real world towards the speculators' transcendent vision of the future. The speculators' "fear of missing out" can be seen as the coordinating mechanism that unleashes new technologies on the world.

Geopolitical risks, alongside strong central bank gold-buying, exchange-traded funds inflows, US rate cut expectations and economic uncertainties stemming from tariffs, have all contributed to gold's rally.

have transformed civilisation. While the authors of "Boom" focus on the bubbles' long-term advantages, they ignore the severity of the busts.

The British canal mania of the 18th century, for instance, brought about the commercial crisis of 1793. A quarter of a century after craze for man-made waterways, one in five canals was still unable to pay dividends. Nevertheless, the new waterways enabled coal to be transported more cheaply, helping to propel the Industrial Revolution.

Britain's railway mania of the 1840s brought even more significant economic

miles of track were laid. The new railroads created a continental market for American-made goods, helping the United States replace Britain as the world's dominant economic superpower. The costs in the intermediate term, however, were immense. In September 1873, a bank heavily involved in railway finance, Jay Cooke & Company, failed.

The ensuing financial panic ushered in America's first "Great Depression" – a downturn that continued for the rest of the decade and was accompanied by high levels of unemployment and widespread social unrest.



OpenAI CEO Sam Altman speaks during Snowflake Summit 2025 at Moscone Center in San Francisco, California. Altman acknowledges that some people are going to lose "a phenomenal amount of money" when the AI bubble bursts. PHOTO: AFP/FILE

changes. The construction of the world's most extensive rail network eventually ushered in a multi-decade era of prosperity. But the bubble also resulted in a massive misallocation of capital in ill-conceived railway lines and contributed to the banking crisis of 1847, which left investors nursing massive losses. By January 1850, railway shares were down on average 85 percent from their peak.

The great expansion of the US railroad system took place several decades later. Between 1865 and 1873 some 30,000

The "Roaring Twenties" were a period of extraordinary technological transformation, which saw the rapid spread of electrification, motor cars and radio. This boom was, of course, followed by history's most famous depression.

The dot-com bubble of the late 1990s followed a well-established path. After the stock market peaked in March 2000, the Nasdaq Composite Index lost nearly 80 percent of its value and remained below its previous high for 15 years.

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## Bolstering cash management in banks

MAMUN RASHID

The Economist once credited effective cash management, also known as transaction banking, as a key reason for Citigroup's survival during the global financial meltdown in 2008. Citi's global transaction services earned a lot of recognition for helping the bank manage its assets and liabilities more efficiently.

In Bangladesh, we have seen banks pay a high price for funding long-term assets through short-term borrowing, or by depending excessively on call money and short-term deposits to support medium or long-term loans. Even today, not all banks can claim to have the right focus on balance sheet management. Much of their time and resources are dedicated to managing loans or mobilising term deposits. Some face difficulties due to over dependence on call money or excessive exposure to long-term term project financing.

In Bangladesh and similar economies, loan losses are often blamed as the main risk factor. However, my experience as a treasury manager, spanning more than 15 years in multiple global banks at home and abroad, tells me that a major part of the problem lies in our failure to manage receivables and payables in a timely manner.

The balance sheet of a commercial bank is quite different from that of a typical company. Most of a bank's balance sheet comprises money deposited by customers (liabilities) and money lent to customers (assets). In addition to loans, banks also invest in various instruments, often to meet regulatory requirements.

Although these activities may seem straightforward, the reality is complex. A bank typically handles thousands of crores in deposits from numerous accounts, across multiple currencies. Each deposit and loan has different maturities, creating what is known as a maturity mismatch across time periods.

The aim of balance sheet management is to maximise returns while minimising risks linked to different portfolio combinations. Many banks also carry large off-balance sheet exposures.

The North American financial meltdown showed how some global banks held trillions of dollars in derivative positions that did not appear on their balance sheets until their debtors exercised loan options. As a result, published balance sheets often underestimate a bank's actual risk exposure.

A bank's capital acts as a form of self-insurance, providing a buffer against unexpected losses and incentivising prudent risk-taking. Financing additional assets with capital raises the leverage ratio, while a shortage of capital can strain the economy by preventing banks from lending to creditworthy borrowers.

Measuring a bank's capital, however, can be tricky. Valuing liquid instruments such as treasury bonds is straightforward, but corporate and emerging market bonds are far less liquid.

During periods of financial strain, a bank's assets become harder to value. In such times, not only liquidity but also solvency determines asset value. The Asian financial crisis in the late 1990s showed how sudden fluctuations in exchange rates can expose banks to foreign exchange risks when they hold assets or liabilities in foreign currencies. These movements can affect a bank's earnings and capital.

Since commercial banks regularly handle foreign currencies, they are constantly exposed to foreign exchange risks arising from both trade and non-trade transactions. Any unhedged exposure, known as an open position, increases this risk. Banks mitigate such risks through hedging techniques while focusing more on tenor mismatch, maturity ladders, and alignment between deposit and loan maturities.

Many commercial banks in Bangladesh are now recognising the importance of distinguishing themselves through improved balance sheets and cash management. The sooner others follow suit, the better it will be for the entire industry.

The writer is a banker and economic analyst

## UK opens door to tougher regulation of Google search

AFP, London

Britain's competition watchdog on Friday paved the way for tougher regulation to tackle Google's dominance in online search, under new targeted measures focused on technology giants.

The Competition and Markets Authority said it has designated Google with "strategic market status" (SMS), subjecting it to special requirements, in a final decision following a nine-month investigation.

"We have found that Google maintains a strategic position in the search and search advertising sector," Will Hayter, executive director for digital markets at the CMA, said in a statement.

A similar tech competition law from the European Union, the Digital Markets Act (DMA), carries the potential for hefty financial penalties.

The CMA plans to launch a consultation this year to determine the rules to impose on the US tech giant.

Google warned the UK against "unduly onerous regulations" and urged it to learn from "negative results seen in other jurisdictions", referencing the EU's DMA.

"Many of the ideas for interventions that have been raised in this process would inhibit UK innovation and growth," said Oliver Bethell, Google's senior director for competition.

Google added Friday that unfavourable regulation could slow the launch of new product launches in the UK.

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