

Star BUSINESS



Three key tax laws amended to dissolve NBR

STAR BUSINESS REPORT

The government has amended three major tax laws as part of an overhaul that will dissolve the National Board of Revenue (NBR) and create two new bodies — the Revenue Policy Division and the Revenue Management Division.

On November 6, separate ordinances were issued to update the Income Tax Act, the Customs Act, and the Value Added Tax and Supplementary Duty Act. The changes are aimed at making the laws consistent with the Revenue Policy and Revenue Management Ordinance introduced in May.

Under the revised framework, the two new divisions, each to be headed by a secretary under the finance ministry, will gradually take over the functions currently performed by the NBR. Their specific responsibilities have now been set out in the amended laws.

Once the wider reform ordinance comes into force, these divisions will formally replace the NBR in shaping tax policy and running tax administration.

NBR Chairman Md Abdur Rahman Khan said the laws have been amended so that they align with the Revenue Policy and Revenue Management Ordinance.

He said the finance ministry was now preparing the organogram — effectively the staffing and organisational plan — required to operationalise the new system.

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Govt proposes scrapping Sadharan Bima's exclusive reinsurance right

It can facilitate foreign funds to development projects and speed up claim settlements by ending the state insurer's market dominance

SUKANTA HALDER

Your next insurance premium, or the speed at which your claim is paid, could soon change as the government plans to change the country's reinsurance system.

The Financial Institutions Division (FID) has proposed removing a clause in the Insurance Corporation Act 2019 that requires non-life insurers to hand over half their reinsurance business to the lone state-owned insurer and reinsurer Sadharan Bima Corporation (SBC).

Officials say this rule has become a barrier for foreign funds for development projects, as SBC does not have an internationally recognised credit rating — a condition often required by donor agencies.

"Funding agencies frequently demand that insurance be obtained from companies with specific credit ratings. Since SBC does not meet that standard, project financing is often affected," said Saifunnahar Sumi, consultant (Media and Communication) at the Insurance Development and Regulatory Authority (Idra).

Reinsurance, often described as insurance for insurers, allows companies to share risks

WHAT'S PROPOSED

End the rule of 50% mandatory reinsurance with Sadharan Bima Corporation (SBC)

WHAT IS REINSURANCE

It can be said insurance for insurers
It helps insurers share and distribute big risks
It ensures insurance firms can pay large claims

WHY NOW

SBC does not have global credit ratings
This often affects foreign funding for projects
Unpaid claims are also piling up at SBC

REACTIONS

Private insurers: Welcome, it will lift competition
SBC: Harmful, illogical



EXPERTS SAY

- Not all local firms can reach global reinsurers
- A balanced, gradual reform is required

so they can pay large claims such as factory fires or cargo losses.

For instance, a garment manufacturer may insure her factory with a private insurer. If

that insurer believes the factory faces high fire risk and the insurer would struggle to cover potential losses, it can transfer part of that risk through reinsurance.

Under the current law, at least half of such reinsurance must go to SBC, with the rest handled by local or foreign companies. The proposed amendment would remove this 50 percent requirement.

Private insurers have long been frustrated by SBC's backlog of unsettled reinsurance claims,

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বিবরণ	২০২২	২০২৩	২০২৪	২০২৫ ৩১ অক্টোবর পর্যন্ত
আমানত	১৭,০৮০ কোটি	১৯,২৪৫ কোটি	২০,১২৩ কোটি	২০,৭২৫ কোটি
বিনিয়োগ	১৭,৪৩৪ কোটি	১৮,৯৭০ কোটি	১৯,৯১৯ কোটি	২০,২৯৪ কোটি
গ্রাহক সংখ্যা	৮,৪১,৮৯৩	৯,১১,০৪০	৯,৮০,৭৬৮	১০,৩৩,৩৪১
আমদানি	৭,৪৫৮ কোটি	৯,৩০১ কোটি	১৪,২৪৭ কোটি	১৩,৪৬৮ কোটি
রপ্তানি	৪,৯১৬ কোটি	৫,২১৬ কোটি	৬,৮৯৫ কোটি	৬,৩৯৫ কোটি
রেমিট্যান্স	১,২৫৬ কোটি	৪,৯২৯ কোটি	৬,২৬৭ কোটি	৫,৩৭৮ কোটি
পরিচালন মুনাফা*	১৩৭ কোটি	২০৮ কোটি	৩৭০ কোটি	২০০ কোটি

*বাংলাদেশ ব্যাংক কর্তৃক শ্রেণীকৃত বিনিয়োগ এবং এর বিপরীতে বর্ধিত প্রতিশ্রুতির কারণে পরিচালন মুনাফা সাময়িকভাবে হ্রাস পেয়েছে, যার প্রবৃদ্ধি অর্টোই প্রত্যাশিত।

স্ট্যান্ডার্ড ব্যাংক পিএলসি, আমানত, বিনিয়োগ, আমদানি, রপ্তানি, রেমিট্যান্স ও পরিচালন মুনাফায় ধারাবাহিকভাবে প্রবৃদ্ধি অর্জন করে আসছে। দক্ষ ব্যবস্থাপনা, আধুনিক প্রযুক্তি ও গ্রাহকের আস্থায় ভিত্তিতে ব্যাংকটি গড়ে তুলেছে স্থিতিশীল ও টেকসই প্রবৃদ্ধির মডেল। দেশীয় অর্থনীতিতে নির্ভরযোগ্য অংশীদার হিসেবে স্ট্যান্ডার্ড ব্যাংক আজ শুধুমাত্র আর্থিক প্রতিষ্ঠান নয়—একটি আস্থার প্রতীক, যেখান থেকে শুরু হয়েছে সাফল্যের অবিচল পথচলা।

স্ট্যান্ডার্ড ব্যাংক পিএলসি. শরি'আহ্ ভিত্তিক ইসলামি ব্যাংক

BRAC Bank, Idcol finance \$67m solar project

STAR BUSINESS REPORT

BRAC Bank PLC and Infrastructure Development Company Limited (Idcol) have jointly financed a 64.55-megawatt solar power plant in Pabna, operated by Bangladesh China Renewable Energy Company Limited (BCRECL).

The two institutions completed a \$67 million term loan facility, with BRAC Bank contributing \$22 million and Idcol \$45 million, according to a press release issued yesterday.

The plant, one of the largest in the country, has already begun supplying electricity to the national grid, marking a significant step in Bangladesh's transition toward sustainable growth.

BCRECL is a joint venture between North-West Power Generation Company Limited and China National Machinery Import and Export Corporation. Tarek Refat Ullah Khan, chief executive officer of BRAC Bank PLC, said the project demonstrates the strength of public-private partnerships in sustainable infrastructure.

Alamgir Morshed, chief executive officer of Infrastructure Development Company Limited, described the solar park as a milestone in reducing carbon emissions. An event was held at the InterContinental Dhaka, attended by Bangladesh Bank Governor Ahsan H Mansur; Gayle Martin, operations manager for the South Asia Unit of the World Bank; and German Ambassador Rüdiger Lotz, along with senior representatives from the participating institutions.



Tarek Refat Ullah Khan, managing director and CEO of BRAC Bank PLC; Qi Yue, managing director of Bangladesh China Renewable Energy Company Limited; and Alamgir Morshed, chief executive officer of Infrastructure Development Company Limited, pose for photographs during the signing of an agreement among the three organisations in Dhaka recently.

PHOTO: BRAC BANK

Policy uncertainty, geopolitical risk are top stability concerns

Fed survey finds

REUTERS, Washington

Policy uncertainty, including on global trade and central bank independence, and overall geopolitical risk topped the list of financial stability concerns in a new Federal Reserve survey released on Friday.

The biannual Financial Stability Report found that acute concern about trade had abated somewhat, while worry about artificial intelligence was on the rise.

Global trade risk was the top-cited concern in the April version of the survey, but by late October, when the latest survey concluded, it had disappeared as a singular worry. Some 61 percent of respondents now cited policy uncertainty overall, which included trade, central bank independence, and availability of economic data, as a top stability concern.

It was the first time central bank independence was mentioned among the risks in the survey and follows President Donald Trump's move to fire Fed Governor Lisa Cook and his persistent heckling of Fed Chair Jerome Powell for not lowering interest rates at the speed and magnitude Trump wants.

The mention of the absence of economic data is also a first and comes amid a record-long federal government shutdown that has closed off the flow of official economic data.

The biannual Financial Stability Report found that acute concern about trade had abated somewhat, while worry about artificial intelligence was on the rise

Meanwhile, artificial intelligence emerged as a stability risk, cited as a potential shock in the next 12 to 18 months by 30 percent of the US central bank's market contacts. The Fed said that concern was primarily focused on how sentiment towards AI had driven recent stock gains, and how a shift in that perspective could lead to "large losses" in markets and potentially broader economic implications.

Persistent inflation, higher long-term interest rates, and fiscal debt sustainability were also among the most cited stability concerns in the near term, the Fed said.

Overall, the latest survey indicated some recovery from volatility in the spring tied to Trump's sweeping tariff announcements, with asset valuations remaining high and Treasury market liquidity stabilizing since then.

The Fed also noted that the commercial real estate market had shown signs of stabilizing, as the sector has long been a concern following the COVID-19 pandemic. While prices showed signs of stabilizing, the Fed noted a large volume of the commercial real estate debt is due to mature in the coming year, which could add to volatility if there were forced sales on borrowers.

The Fed also noted that consumer delinquencies remained high by historical standards, and there was a significant uptick in student loan delinquencies in the first half of 2025 when the government resumed student loan repayments.

StanChart, BRAC Bank partner to pioneer export receivables finance for financial institutions



PHOTO: STANDARD CHARTERED

Md Shaheen Iqbal, deputy managing director and head of treasury, financial institutions and corporate and institutional banking at BRAC Bank PLC, and Luthful Arefin Khan, country head of transaction banking at Standard Chartered Bangladesh, pose for photographs after signing the agreement in Dhaka recently.

STAR BUSINESS DESK

Standard Chartered Bangladesh has launched the "Export Receivable Finance for Financial Institutions/Banks (RFFI)", a trade finance solution that marks a new milestone in the country's financial sector.

The initiative, introduced in partnership with BRAC Bank PLC, is designed to enhance liquidity for exporters by enabling the early repatriation of export proceeds under deferred letters of credit (LCs).

Under this collaboration, Standard Chartered will leverage its extensive global network and relationships with leading international buyer banks to

facilitate receivable financing at highly competitive rates.

Luthful Arefin Khan, country head of transaction banking at Standard Chartered Bangladesh, and Md Shaheen Iqbal, deputy managing director and head of treasury, financial institutions, and corporate and institutional banking at BRAC Bank PLC, signed an agreement in this regard in Dhaka recently, according to a press release.

Khan stated, "With the introduction of RFFI, we are proud to extend that support to the export leg as well. BRAC Bank has been a trusted partner for many years, and we thank them for joining us in this pivotal initiative to advance Bangladesh's export capabilities."

Prime Bank organises training in Ctg

STAR BUSINESS DESK

Prime Bank PLC recently organised "Prime Neera-SME Women Entrepreneurs Training and Development Programme" at Hotel Agrabad in Chattogram.

The event brought together over 130 women entrepreneurs from Prime Bank as well as members of the Chattogram Women Chamber of Commerce and Industry (CWCCI).

Prime Bank's Neera initiative is dedicated to promoting financial inclusion and sustainable business growth among women entrepreneurs across the country.

The objective of the training was to enhance participants' business management skills, financial planning knowledge, and market expansion strategies. The programme also

encouraged women entrepreneurs to take a more active role in the SME sector.

Sarker Mehedi Reza, regional head for Chattogram at Prime Bank PLC, presided over the programme, according to a press release.

Abida Mustafa, president of the Chattogram Women Chamber of Commerce and Industry, attended the event as the special guest.

Speakers at the event emphasised women's empowerment, business development, and the importance of leveraging digital banking facilities to expand their enterprises.

Sheikh Nur Alam, head of small business and refinance at the bank, and Fatema Akter Naz, business development manager, along with branch managers from various branches of the Chattogram region, were also present.



Sarker Mehedi Reza, regional head for Chattogram at Prime Bank PLC, and Abida Mustafa, president of Chattogram Women Chamber of Commerce and Industry, pose for group photographs with participants of "Prime Neera-SME Women Entrepreneurs Training and Development Programme" at Hotel Agrabad in Chattogram recently.

PHOTO: PRIME BANK

Emirates Group posts record half-year profit

STAR BUSINESS DESK

The Emirates Group posted a pre-tax profit of \$3.3 billion for the first six months of the 2025-26 financial year, covering the period from April 1 to September 30, 2025, marking the fourth consecutive year of

chief executive of Emirates Airline and Group, said: "This performance was primarily driven by the unlagging demand and growing customer preference for our products and services, which fuelled both revenue growth and profitability."

percent year-on-year, while its profit after tax totalled \$2.7 billion, a 13 percent increase.

The airline's cargo division, Emirates SkyCargo, transported 1.25 million tonnes of freight during the first six months, up 4 percent from the same period last year.



record half-year profitability.

After accounting for income tax charges, the group's profit after tax stood at \$2.9 billion, up 13 percent from the same period last year, said a press release.

Illustrating its strong operating performance, the group maintained a robust EBITDA of \$5.7 billion, 3 percent higher year-on-year.

EBITDA meaning earnings before interest, taxes, depreciation, and amortisation, is a measure of a company's operational profitability that excludes financing and accounting costs.

Group revenue rose 4 percent to \$20.6 billion during the period.

Sheikh Ahmed bin Saeed Al Maktoum, chairman and

"Global demand for air transport and travel services has remained buoyant despite geopolitical events and economic concerns in some markets," he added.

"We expect this resilience to continue through the rest of 2025-26 and look forward to expanding capacity as new A350 aircraft join the Emirates fleet and new dnata facilities come online."

Cementing its position as the world's most profitable airline for the period, Emirates Airline reported a record pre-tax profit of \$3.1 billion for the first half of 2025-26, compared to \$2.6 billion a year ago.

Emirates' revenue, including other operating income, reached \$17.9 billion, up 6

The Group's other major business, dnata, also saw strong growth during the period as it ramped up operations across its cargo and ground handling, catering and retail, and travel services segments.

dnata achieved a half-year revenue record of \$3.2 billion, up 13 percent year-on-year, while its profit before tax rose 17 percent to \$230 million.

Profit after tax reached \$190 million, a 22 percent increase.

The Emirates Group's total workforce grew 3 percent from March 31, 2025, reaching 124,927 employees as of September 30, 2025. Both Emirates and dnata continue active recruitment drives to support their expansion plans.

Crude recovers late in session

REUTERS, Houston

Crude prices recovered from a midday dip on Friday on hopes Hungary can use Russian crude oil as US President Donald Trump met Hungary's Prime Minister Viktor Orban at the White House.

Brent crude futures settled at \$63.63 a barrel, up 25 cents or 0.39 percent. US West Texas Intermediate crude finished at \$59.75 a barrel, up 32 cents, or 0.54 percent.

Both benchmarks are poised to register weekly declines of around 2 percent as leading global producers raise output.

"We're sort of watching that Trump meeting with Orban to see if some deal comes out that eases sanctions on Lukoil and Rosneft," said John Kilduff, partner with Again Capital.

Hungary has maintained its reliance on Russian energy since the start of the 2022 conflict in Ukraine, prompting criticism from several European Union and NATO allies.

Prices had fallen earlier in the day with Brent registering a loss on the impact of flight cuts due to a shortage of air traffic controllers, who are not being paid because the US government shutdown.

"The fact that we're shutting down flights is taking out a lot of diesel demand," said Phil Flynn, senior analyst for Price Futures Group.

The US Federal Aviation Administration ordered airlines to cut thousands of flights because of the shortage of air traffic controllers.

Lower demand for jet fuel came as "the market continues to weigh a rising oil surplus against mixed macro," said SEB analyst Ole Hvalbye.

An unexpected US inventory build of 5.2 million barrels reignited oversupply fears this week, said IG Markets analyst Tony Sycamore.

NCC Bank signs MoU with Dhaka North City Corporation



Mohammad Ashaduz Zaman, secretary to the Dhaka North City Corporation, and M Shamsul Arefin, managing director of NCC Bank, pose for photographs after signing the memorandum of understanding at a hotel in Dhaka recently.

PHOTO: NCC BANK

STAR BUSINESS DESK

NCC Bank PLC has signed a memorandum of understanding (MoU) with Dhaka North City Corporation (DNCC), enabling NCC Bank customers to conveniently pay various fees and taxes, including holding tax, trade licence fee, hotel tax, market salami, wheel tax, and other municipal charges, through the bank's extensive branch network across the country as well as its digital platforms.

Mohammad Ashaduz Zaman, secretary of Dhaka North City Corporation, and M Shamsul Arefin, managing director of NCC Bank PLC, signed the MoU at a hotel in Dhaka recently, according to a press release.

Arefin said, "This partnership marks a significant milestone in delivering citizen services through our branch network, CRM, and digital platforms. Under this technology-driven initiative, DNCC residents will be able to pay various taxes and fees conveniently through any NCC Bank branch, the Internet Banking app 'NCC Always,' or CRML."

"By integrating technology with

banking services, we are providing citizens with a seamless, real-time, and digital payment experience," he added.

"This initiative will make DNCC's revenue collection process faster, safer, and more transparent, and play an important role in building a cashless society."

Brig Gen Imrul-Al-Quais Chowdhury, chief health officer of DNCC; Mohammad Mamun-Ul-Hassan, chief social welfare and slum development officer; Mohammad Mamun Mia, chief revenue officer; Mohammad Shawkat Osman, chief estate officer; and Md Barkat Hayat, chief accounts officer, attended the event.

Mohammed Mizanur Rahman, deputy managing director and chief financial officer of the bank; Md Sajjadul Islam, senior vice-president and head of ICT division; Shahin Akter Nuha, senior vice-president and head of transaction banking and cash management division; Md Aminul Islam, senior assistant vice-president and head of cards (current charge); and Md Shaiful Islam, first assistant vice-president and head of DF's business, along with other senior officials from both organisations, were also present.



A farmer throws fish feed into a pond being used to cultivate pangas, rui and katla in Bhangura upazila of Pabna. Locals say selling such fish is a profitable business and many in the locality are utilising their water bodies in this manner. The photo was taken at Bhangura Bazar area recently.

PHOTO: AZAHAR UDDIN

Draft rules published for digital payment operators

STAR BUSINESS REPORT

Bangladesh Bank has rolled out a draft regulation aimed at modernising the country's fast-growing digital payment ecosystem, opening up new possibilities for fintech innovation and safer transactions.

The draft Payment System Operator (PSO) Regulations -- released this week by the central bank's Payment Systems Department -- seek feedback from banks, fintech companies, and other industry players before being finalised.

PSOs will not be allowed to issue e-money and must settle all transactions through licensed commercial banks.

Applicants must be registered under the Companies Act, 1994. The application fee is set at Tk 50,000 and the licence fee at Tk 5 lakh.

The draft classifies PSOs into five categories: Merchant Acquiring, Payment Switching, ATM/CRM Acquiring, Payment Initiation Service (PIS), and Card Scheme.

Minimum paid-up capital requirements vary across categories: Tk 1 crore for Merchant Acquiring, Tk 20 crore



for ATM/CRM Acquiring, Tk 10 crore for Switching Services, and Tk 2 crore for Payment Initiation Service.

Officials said the draft aligns with the Payment and Settlement Systems Act, 2024, and is designed to bring non-bank payment operators under a clear regulatory framework to strengthen oversight, improve risk management, and boost consumer confidence in digital payments.

At the core of the proposed regulations lies an innovation called the Payment Initiation Service (PIS), a third-party mobile application that lets users link multiple bank accounts and digital wallets and make transactions with a single click.

With the customer's explicit consent, a PIS app will allow direct fund transfers from bank accounts without holding or storing customer money.

The service also will not use escrow

accounts, ensuring that payments happen safely and transparently through the user's own bank.

Bangladesh Bank officials said this marks a step toward open banking and account-to-account (A2A) payments in Bangladesh, a concept already popular in advanced digital economies.

"This will make online shopping, bill payments, and business transactions far simpler and faster," said a senior central bank official involved with the draft.

"Even banks without their own apps can now enable digital transactions through PIS platforms."

PSOs will also need to maintain an ongoing capital reserve linked to their average monthly transaction value over the past year.

Each operator will be required to put in place a comprehensive risk management framework covering liquidity, operational, fraud, and money laundering risks.

They must preserve transaction data for at least 12 years, and any major data breach or operational failure must be reported to Bangladesh Bank within 24 to 72 hours.

RMG Sustainability Council expands mandate beyond safety

REFAYET ULLAH MIRDHA

The RMG Sustainability Council (RSC), a permanent safety monitoring body in Bangladesh's export-oriented garment industry, has decided to expand its scope of work.

From November 16, the tripartite body involving industry, brands, and unions will monitor issues such as employment contracts and separation, wages, leave and other benefits, the situation of freedom of association and collective bargaining for workers.

It will also look into whether there is child or forced labour, and instances of discrimination in the largest export-oriented industry, according to an RSC document.

The council currently focuses on issues related to the occupational safety and health of workers.

"If any worker lodges a complaint with the RSC, we will investigate," said RSC Managing Director Abdul Haque, citing a decision of the RSC board last month.

The RSC will support its tripartite stakeholders in addressing a wider range of workplace-related issues through an integrated, transparent, and credible platform, according to the document.

This expansion is designed to reduce duplication of efforts, streamline processes, and make complaint management fairer, faster, and more effective for all parties.

In the first phase, beginning November 16, 2025, the RSC will cover 58 brands and 1,185 factories. This phase will run for six months and establish the foundation for full implementation.

In the second phase, all remaining brands and factories will be brought under the purview of the RSC.

Altman urges US to expand Chips Act tax credit

REUTERS

OpenAI CEO Sam Altman on Friday doubled down on the company's ask for the US to expand eligibility for a Chips Act tax credit, as the country accelerates efforts to secure its position as a global leader in artificial intelligence.

Altman's comment follows OpenAI Chief Global Affairs Officer Chris Lehane's October 27 letter to the White House Office of Science and Technology Policy Director Michael Kratsios seeking an extension of eligibility for the Advanced Manufacturing Investment Credit (AMIC) to AI server production, AI data centers and grid components.

The AMIC is a US federal tax incentive designed to boost domestic semiconductor manufacturing.

"We think US re-industrialization across the entire stack -- fabs, turbines, transformers, steel, and much more -- will help everyone in our industry, and other industries (including us)," Altman said in a post on X on Friday.

But the tax credit is "super different than loan guarantees to OpenAI", Altman said.

China's exports fall for first time in eight months

AFP, Beijing

China's exports fell in October for the first time in eight months, official data showed Friday, as trade tensions flared in the weeks before Chinese President Xi Jinping met US counterpart Donald Trump.

Shipments dropped 1.1 percent year on year, missing a Bloomberg forecast of a 2.9 percent rise.

Imports in the same month rose 1.0 percent, China's General Administration of Customs said. That was well off September's reading and short of the 2.7 percent climb estimated in the Bloomberg forecast.

China and the United States reached a detente in their trade war after Xi and Trump met in South Korea at the end of October. That put a precarious pause on months of tit-for-tat measures between the economic and technological powerhouses as the leaders agreed to suspend a raft of measures for a year.

Beijing last month announced fresh restrictions on exports of rare earth technologies, a sector it dominates and is critical to defence and auto manufacturers.

Trump retaliated by threatening an additional 100 percent tariff on Chinese goods.

However, that warning was called off after Xi and Trump met last month in South Korea, with the US leader calling their first encounter since 2019 a "great success".

Washington halved a blanket tariff on Chinese goods to 10 percent, while Beijing loosened restrictions on rare earth exports of rare earths, also providing relief to European businesses.

Early AI investor returns earn average human grade

REUTERS, New York

Turn an artificial-intelligence bot into a trader and it acts all too human. Over a two-week span, six frontier models were seeded with \$10,000 apiece to trade digital-coin derivatives. Five finished deep in the red, while the last barely scraped by despite its flimsy risk-adjusted score. For the time being, primate fund managers can rest easy knowing machines simply ape their worst tendencies.

frittered away a third to half their stakes. Only about one in four trades made money, and a simple risk-adjusted return measure sat below zero. The bots didn't just recklessly lose money, but paid handsomely for the privilege: roughly 10 percent of the funds went to fees.

The similarities to mere mortals were striking. Large-language models chased trends and ignored basic risk discipline. Qwen's winning bitcoin trade borrowed \$19 for every



The Alpha Arena experiment conducted by US startup Nofl took place on Hyperliquid, a crypto-derivatives venue that allowed the bots to buy and sell perpetual futures using real money. Each generated its own thesis, sized risk and executed transactions around the clock, logging its reasoning in real time. Discipline and dispassion were in short supply.

Instead, the books read more like a turbocharged Reddit board. Outcomes ranged from Qwen's \$652 loss, excluding a modestly successful open trade at the end of the trial, to GPT-5's \$5,679 loss. Claude, DeepSeek, Gemini, and Grok

\$1 it put in. None leveraged itself less than 10 times. Rather than map the market, the machines exhibited adrenaline-junkie behavior, racking up 628 trades over the short span.

Academic research confirms the patterns. A recent survey of more than 80 studies found that AI models help process information, but struggle once real-world frictions enter the frame.

Machine-learning strategies that look strong in controlled environments collapse, when tested over longer periods or wider markets, another research paper concluded. Machines generating alpha remains very much in the imagination.

Three key tax laws amended to dissolve NBR

FROM PAGE B1

"The organogram is the final major task. Once it is finalised, we will move toward full implementation," he said.

Khan, however, did not specify any deadline for the execution of the much-talked-about ordinance, which stirred widespread protests from NBR officials initially regarding ambiguity over whether officials from the tax and customs cadres would get preference for senior posts in the new divisions.

In the face of protests, the government revised the ordinance in August. In September, Finance Adviser Salehuddin Ahmed told The Daily Star that the final separation of tax policy from administration would be completed by December this year.

Asked whether the visiting International Monetary Fund (IMF) mission had raised any issues regarding the implementation of the revenue reform law, Khan said the discussions had been positive.

"They are satisfied so far. Their main concern is ensuring policy continuity so that the next government continues the reforms," he said. "The three amended acts reflect our commitment. We are trying to complete everything as quickly as possible."

Khan also said there would be no new taxes or removal of existing tax exemptions before their scheduled expiry.

"On tax increases, the IMF didn't pressure us. They simply asked whether we had any such plans," he added.

He noted that the government's VAT and supplementary duty hikes in January, applied to around 100 goods and services, were part of last year's emergency revenue measures taken on IMF advice.

"Last year was a national emergency. If we repeat that, it could become a trend. The IMF understands the market operates on an annual cycle," he said.

Govt proposes scrapping Sadharan Bima's

FROM PAGE B1

some dating back to 2020, which has delayed compensation for clients.

Sumi said the proposed change is meant to solve this problem.

Industry insiders believe the change would make the market more competitive and improve claim settlements, ultimately benefiting policyholders.

However, SBC Managing Director Md Harun-Or-Rashid said that the move could weaken the state insurer and unsettle the market. "If SBC's role is reduced, its income will fall, and disorder in the insurance sector will increase," he said.

Rashid added that if SBC fails to pay reinsurance claims, the government now covers it. "But if a private company fails, who will pay that money?" he asked.

'A MORE OPEN MARKET'

If reinsurance with SBC is no longer mandatory, the market is expected to evolve into a more mature and competitive space, according to the chief executive officer of a renowned non-life insurance company.

The change would prompt local insurers to revisit their reinsurance strategies and explore alternative options.

"Eventually, it will enable them to retain and attract both local and international reinsurance business," said the CEO.

On condition of anonymity, he said optional reinsurance with SBC would push the lone state insurer and non-insurer to raise its standards to international levels in both service and business approach.

However, he said that not all local insurers have the global connections needed to access competitive reinsurance on favourable terms.

"Companies with established international networks may view the removal of mandatory reinsurance

with SBC as an opportunity to strengthen partnerships with foreign reinsurers," he added.

Ahmed Saifuddin Chowdhury, managing director of Bangladesh General Insurance Company PLC, welcomed the move.

He said that since 2014, reinsurance through SBC has failed to produce any claim recoveries.

"Despite repeated efforts, we have not received any payments, nor has SBC taken any meaningful steps to resolve these issues," he said.

"In contrast, I have actively engaged with foreign reinsurers, secured recoveries, and ensured that our clients are properly compensated," he added.

Chowdhury said such inefficiencies discourage foreign investment. "If international investors encounter these obstacles, why would they choose to invest in Bangladesh? This situation tarnishes our reputation," he said.

Hasina Sheykh, professor of Banking and Insurance at Dhaka University, also backed the proposal, saying SBC's capacity is "limited".

"It is not enough for us to simply depend on them to take on a major portion of the risks," she said.

"Some companies in the market perform well, and if they have the capacity, they should be able to do reinsurance on their own. We would welcome that," she added.

She believes the private sector should be given the opportunity. Though not every company has the capacity, those that do should be allowed to participate.

Md Main Uddin, another professor from the same department, recommended a balanced approach.

"Completely removing the mandatory provision is not advisable," he said, suggesting that there should be at least some compulsory element.



Saiful Islam

Bank merger: Investors pay the price; regulators, auditors escape blame

Says president of DSE Brokers' Association of Bangladesh

AHSAN HABIB

Shareholders and depositors of the five shariah-based troubled banks are bearing the brunt of the government-led merger, while the parties also seen as responsible for the banks' collapse — including regulators, auditors, and credit rating agencies — are going scot-free, said Saiful Islam, president of the DSE Brokers' Association of Bangladesh (DBA).

In an interview with The Daily Star, he said the dire state of the banks is the outcome of a collective failure across the entire supervisory chain: the central bank, the Bangladesh Securities and Exchange Commission (BSEC), the Ministry of Finance, auditors, credit rating agencies, and market intermediaries.

"Yet, we have not seen the regulators take any responsibility or even verbally admit liability. Nor have we seen any regulatory precautions to ensure this does not happen again. Instead, shareholders and depositors have ended up as the biggest losers," he said.

Stock exchanges recently suspended share trading of the five banks — First Security Islami Bank, Social Islami Bank, Union Bank, EXIM Bank, and Global Islami Bank — after confirming that their net asset value per share had turned negative, leaving shareholders with no claim in the new entity under the Bank Resolution Ordinance 2025.

Islam said the collapse was not caused by a crisis beyond human control. "This was not an act of God, nor a national disaster. It was manipulation orchestrated by certain people, while everyone else allowed it to happen."

"No one raised a red flag about what was going on. At the very least, auditors knew; the credit rating agencies knew they were issuing fake ratings; and regulators, especially the central bank, certainly knew what was happening. This is collective failure," he said.

He added that unless regulators, auditors, and rating agencies are held accountable, "there is no guarantee similar incidents will not recur."

"NOT A MERGER; IT'S A BAILOUT" Islam, also a director of BRAC EPL Stock Brokerage, said the move has been most destructive for equity investors. "Depositors will get some of their money back, but shareholders will get nothing."

He argued that the process does not resemble a merger as defined in the

Merger and Acquisition Act. "In a proper merger, the banks would sit together, agree on a formula, and seek shareholder approval. None of that happened."

According to BB's own position, the rights of ordinary shareholders cannot be protected because the banks' net worth is already negative.

"It is more of a bailout. The government is trying to rescue five bankrupt banks using public funds," he said.

He added that in a bailout, shareholder consent is not required. "A bailout means your company is effectively bankrupt. In such cases, shareholders no longer

But the DBA president also took a jibe at the investors for not being "responsible" with their money.

He pointed out that it is common sense to invest responsibly and perform due diligence. "They should know what they are investing in. If someone has invested in the wrong place for years, they too must share part of the responsibility."

Even so, he acknowledged that many invested based on BB-rated financial statements. In this context, he proposed that the government could consider an equity swap under special consideration, first identifying the ordinary shareholders and then offering

not the end of the problem.

"Are these five banks the end of the story? I can say without hesitation that they are not. There are more to come."

He said a broader bailout covering all weak banks would have been fairer and more reassuring for the financial sector. "As it stands, mistrust will persist because several fragile banks are still operating."

He added that similar vulnerabilities exist beyond banking. "There are companies in the capital market whose conditions are equally dire, yet their shares trade at high prices. Investors in those firms can face losses at any time, but no one seems to be paying attention."

TAKEAWAYS FROM INTERVIEW

Accountability

All agencies failed, yet only depositors and shareholders are suffering

BB and BSEC cannot evade responsibility for the banking sector's collapse

Without holding regulators and auditors accountable, similar disasters may recur

Market impact

Ordinary shareholders are the biggest losers

Depositors may recover some, investors get nothing

A retail-driven market without strong mutual funds will always remain unstable



ON BANK MERGER

This is not a merger — it's a government bailout of bankrupt banks with public money

In a true merger, shareholders decide the formula; here, their voices were never heard

exist because their shares hold no value. Without government intervention, these banks would have closed."

"BANK INSIDERS BIGGEST BENEFICIARIES"

According to Islam, the individuals who oversaw the decline of the banks will walk away untouched and gain the most from the merger.

"Bank directors siphoned off funds and are now the biggest beneficiaries. Those who worked within these banks are now being told that no one will lose their job. The insiders who witnessed all these irregularities are escaping any accountability, while ordinary shareholders bear the burden," he said.

them a few shares in the new bank.

"For example, one or two shares in the new bank for every ten previously held. It would help restore market confidence."

The veteran investment expert recommended that investors seek the advice of financial or capital market advisers before putting money into a firm, as financial statements in our country cannot be fully trusted.

He assumes the investors of the said banks probably did not follow the aforementioned method. "That's why I say none of us can avoid our share of responsibility."

"STORY DOES NOT END HERE" Islam warned that the five banks are

For Islam, the deeper structural issue is the absence of strong institutional investors.

"Ideally, mutual funds should be our main institutional investors. Until the mutual fund industry grows and behaves properly, we won't overcome these issues. A retail investor-led market will never be stable, because small investors rarely understand balance sheets or the factors beyond them. Mutual funds do," he said.

He noted that reputable mutual funds avoided these weak banks long before the collapse. "Ordinary investors should enter the market through mutual funds."

Making of a good risk manager

MAMUN RASHID

I became a credit signatory at ANZ Grindlays Bank in 1992. At Standard Chartered Bank, I had to clear all fourteen modules of the Credit Skills Assessment (CSA) by OMEGA London to qualify as a proper risk manager. At Citibank N.A., apart from my long experience in corporate banking and loan restructuring, I also needed cross-border audit exposure to even be considered for the Senior Credit Officer (SCO) designation.

In today's banking world, the role of a risk manager has evolved from that of a back-office compliance monitor to a front-line strategic partner. The best bankers today not only understand balance sheets but also have insights into behavioural economics, geopolitics, and ethics. A true all-round risk manager does not just minimise risk; they anticipate it, read its signals, and turn it into an opportunity.

At its core, banking is about managing risk. Credit risk remains central to commercial banking. It is the art of lending wisely, balancing growth with prudence. A seasoned credit officer looks beyond a borrower's financial statements to assess character, industry conditions, and cash flow management. Experienced bankers know that behind every non-performing loan lies not only a flawed business decision but often a failure to understand people, purpose, or process. Credit appraisal must go beyond number-crunching to grasp how a business can sustain itself.

A capable risk manager must understand operational risk alongside credit risk. Operational risk arises when things go wrong within an organisation, whether due to weak processes, insufficient controls, or human error. As the world becomes more digital, operational risk is increasingly linked to cyber resilience and data integrity. A single failure in system control can erode years of trust and reputation.

Today's banker must therefore think like a technologist, recognising that internal controls are not bureaucratic burdens but safeguards for credibility and public trust.

Market risk, originating from fluctuations in interest rates, exchange rates, or equity prices, is equally significant. Global shocks or policy shifts can heighten volatility for banks operating in emerging economies such as Bangladesh. A sound risk manager must blend prudent treasury management with economic foresight. The hallmark of a good banker lies in their ability to maintain liquidity buffers, align asset liability positions, and interpret macroeconomic trends.

In a globalised financial system, country or cross-border risk has become crucial. When a bank finances international trade or takes offshore exposure, it indirectly inherits the political and economic stability of the partner country. A prudent risk manager knows that domestic balance sheets can be affected by sudden regulatory changes or a sovereign default elsewhere. Careful diversification, constant monitoring, and awareness of global risk indicators are therefore essential.

Perhaps the most subtle yet far-reaching of all is reputational risk, especially for global banks. A single lapse in communication, ethics, or lending practice can cause damage that extends beyond financial loss. Reputation today is shaped daily through an organisation's interactions with clients, regulators, and communities, and it is not the responsibility of public relations alone. A risk manager must act as the institution's moral compass, ensuring that every business decision aligns with accountability, fairness, and transparency.

A good risk manager is part guardian, part strategist, and part analyst. Their strength lies not in saying "no" but in understanding and managing risk effectively. As Bangladesh's banking sector continues to grow and integrate with global markets, the demand for such comprehensive risk leaders will only increase. Banks that invest in developing professionals who balance caution with profitability will not only withstand the pressures of global finance but also thrive.

The writer is a banker and economic analyst

Work together to unlock supply chain opportunities

Experts also stress digital transformation

STAR BUSINESS DESK

Government, the private sector and development partners must work together to unlock and expand supply chain opportunities in Bangladesh, experts said.

Addressing people-centric elements is critical for the successful implementation of Supply Chain 4.0, said Prof Shams Rahman, vice-chancellor of East West University, at a programme yesterday.

He made the remarks at the closing session of the Bangladesh Supply Chain Conference 2025, held at the Radisson Blu Water Garden Hotel in Dhaka, according to a press release.

The conference drew record participation from 70 organisations and professionals across fast-moving consumer goods (FMCG), logistics, pharmaceuticals, telecom, banking, apparel, and academia.

The event also featured the ISCEA Night and Certificate Ceremony 2025, celebrating professionals who achieved globally recognised ISCEA qualifications, a testament to Bangladesh's growing pool of data-driven, future-ready supply chain leaders.

Mahfuz Anam, editor and publisher of The Daily Star, attended as a special guest and reaffirmed the newspaper's commitment to supporting initiatives that strengthen Bangladesh's economy and empower the supply chain community.

Syed Shakil Ahmed, head of AI strategy and development at Grameenphone Ltd, and Ruhul Qaddus Khan, chief executive officer and managing director of Unilever Bangladesh Ltd, presented two keynote papers.

Ewa Wasiluk, head of supply chain operations at Syngenta CP (AMEA), presented another paper titled "Case Spotlight—AI in Action," showcasing practical applications of artificial intelligence in forecasting, routing, inventory management, and scenario planning.



PHOTO: COLLECTED

Prof Shams Rahman, vice-chancellor of East West University, speaks at the conference in Dhaka yesterday.

Three panel discussions — "Digital & Inclusive: Future-Fit Supply Chains," "Talent for Future Supply Chains," and "Local to Global, Global to Local: Making Bangladesh Supply Chains Future-Ready" — emphasised the importance of collaboration among the government, private sector, and development partners to unlock new opportunities.

"Today's conversations moved from vision to practice, from snapshots to live signals, and from isolated tools to inclusive ecosystems that connect customers, suppliers, SMEs, and channel partners," said Mohammad Ejazur Rahman, managing director of Mind Mapper Bangladesh and regional CEO for ISCEA Asia, in his welcome and closing remarks.

Under the theme "Digital Data Shapes the Future," the conference explored how digital data, artificial intelligence (AI), and automation are reshaping supply chain planning and execution at both local and global levels.

Organised with ISCEA as the knowledge partner, the conference was powered by Mozumder Logistics and Prime Bank, with support from Radhuni, GPH Ispat, and AH Khan & Co. Radisson Blu Water Garden, Dhaka served as the hospitality partner.

Stock market frenzy is a louder echo of the 1990s

REUTERS, London

Throughout the late 1990s Fred Hickey, the editor of The High-Tech Strategist, was relentlessly critical of the wild market excesses of the time. So-called "bubbleheads" responded by leaving vile messages on his voicemail. However, he developed a cult following among bearish investors. Although Hickey was eventually vindicated, he turned out to be wrong in one respect. In December 1999 he wrote: "The lunacy of tech stock valuations is beyond description ... I'm certain I'll never see it again in my lifetime." Hickey still publishes his monthly investment newsletter. He finds much to remind him about the earlier dotcom mania. Except this time, he believes the market is even crazier.

Hickey has been writing his monthly publication since 1987. It is a discreet affair. It has no website, the letter goes out by snail mail or PDF, and its masthead has not changed in a quarter of a century. Hickey works from his home in a leafy suburb of Nashua, New Hampshire, where he peruses industry journals, listens in on quarterly earnings calls (assisted by his son Ryan) and corresponds with his contacts in the tech world. He believes it's a huge advantage to work far from the pressures of Wall Street and the "wild optimism (delusion)" of Silicon Valley. He sees himself as the little boy in the Hans Christian Andersen tale who announces what no one else dares: that the

emperor's new clothes do not exist.

Today, Hickey observes speculative excesses across the investment world: an options market dominated by zero-day-to-expiry options that provide leverage for day traders; investors conditioned by years of support from the Federal Reserve to buy into every dip, giving the market an aura of invincibility; spoof cryptocurrencies serving as gambling chips for nihilistic speculators; margin debt far above its 2021 peak; and mutual funds' cash levels at record lows. "I've seen it all before during the height of the 1999/00 dotcom mania," writes a weary Hickey.

The excitement surrounding artificial intelligence overshadows

everything else. Hickey points to a recent JPMorgan research report showing that 41 AI-related stocks account for nearly half of the market capitalisation of the S&P 500 Index. Bulls claim that market exuberance is not as intense as in the late 1990s because there have been relatively few initial public offerings. Hickey counters that startups no longer need to rush to the market to raise capital. Companies like OpenAI have been able to attract vast amounts of cash while avoiding the scrutiny that comes with a public listing. If the \$500 billion OpenAI and other private AI firms are added to JPMorgan's list the total capitalisation of AI-related businesses in the U.S. is far larger than the technology, media and

telecoms sectors at the turn of the century.

Though Hickey questioned the crazy valuations during the dotcom era he never doubted that the internet was truly a revolutionary technology which was going to change the world. By contrast, today he's extremely sceptical about the future impact of AI. He distinguishes between artificial intelligence, a technology that has been around for decades, and generative AI, which is at the epicentre of the current frenzy. "GenAI is probably the most over-hyped technology I've ever witnessed in my 45 years of following tech stocks," he writes. We are told that GenAI will shortly be in a position to cure cancer, write Shakespeare, win Nobel prizes, and drive soaring productivity growth. In short, as Meta's Mark Zuckerberg says, it may be "the beginning of a new era for humanity."

Hickey does not buy into this narrative. He points to the profound limitations of large language models (LLMs): chatbots are unable to reason, have no ties to the real world and are incapable of adapting to change. MIT recently tested the performance of a variety of chatbots against humans, and humans crushed every model. Hickey has been waiting in vain for a killer app that would prove him wrong. Instead, attempts to integrate AI into smartphones have flopped. While the public's use of chatbots has taken off, relatively few users are prepared to pay for the service.



A trader works on the floor of the New York Stock Exchange on Friday. According to a JPMorgan research report, 41 AI-related stocks account for nearly half of the market capitalisation of the S&P 500 Index. PHOTO: AFP