



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.