

Import-stage income tax credits to be auto-reflected in e-returns

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has introduced an automated system that allows advance income tax (AIT) paid at the import stage to be directly credited to taxpayers' electronic returns.

This will ease a long-standing problem faced by importers and businesses, an NBR statement said yesterday.

The system has been launched following the integration of ASYCUDA (Automated System for Customs Data) World software with the NBR's e-return platform, enabling real-time data sharing between customs and income tax systems. According to the NBR, AIT paid against imports will automatically appear as a credit in the taxpayer's e-return from now on.

NBR said the move would significantly reduce delays, manual verification, and disputes over tax credits that importers have faced for years.

Under the new mechanism, when an importing taxpayer enters business income details in the e-return, bill-of-entry-wise information on advance income tax paid during the relevant income year will be automatically populated. The credited amount will then be adjusted against the taxpayer's total income tax liability to determine the final payable amount.

The development comes at a time when taxpayers in Bangladesh continue to struggle with a slow and largely manual refund process, despite legal provisions requiring refunds to be issued within specific timeframes.

More than 46 lakh taxpayers have registered on the e-return system so far, while around 33 lakh have already filed their returns.

Normally, many taxpayers for whom online filing is not mandatory have also opted for the digital platform. Expatriates have also been brought under the system, with about 4,000 submitting their returns online.



Fishermen hang freshly caught marine fish to dry in the winter sun along the coast in Lebur Char of Kuakata in Patuakhali recently. Drying fish is often better in winter as the cooler temperatures, lower humidity, and dry winds create ideal conditions for slow, natural dehydration, preventing spoilage and helping achieve the firm texture prized in traditional methods.

PHOTO: TITU DAS

Supreme Court tests limits of Trump's power over the economy

REUTERS, Washington

The US Supreme Court signaled four months into Donald Trump's second presidential term last year its interest in shielding the Federal Reserve from political interference. When the justices on Wednesday consider the legality of his bid to fire Fed Governor Lisa Cook, their willingness to preserve the US central bank's independence will be put to the test.

With control over US monetary policy at stake, the legal battle over Trump's attempt to remove Cook marks the second case involving an action by the Republican president of vast economic significance to reach the Supreme Court during its current term, which began in October.

The court, which has a 6-3 conservative majority, heard arguments in November concerning Trump's sweeping global tariffs, with justices indicating skepticism over the lawfulness of these import taxes on nearly every US trading partner imposed under a law meant for use in national emergencies. Its rulings in the tariffs and Cook cases are expected by the end of June but could come sooner.

The court has been largely deferential to Trump in a series of rulings on an emergency basis since his return to office 12 months ago as he repeatedly tests the limits of presidential

authority. The justices, however, may be less eager to strengthen Trump's hand over the economy.

"I think they worry about the effect that removal of central bank independence could have on the economy," said John Yoo, who served as a Justice Department lawyer under Republican former President George W. Bush.

"It seems a basic principle of macroeconomics, backed up by the experience of other countries, that political control over the money supply, interest rates and central banking will inevitably lead to inflation," said Yoo, now a University of California, Berkeley law professor.

According to legal scholars, the court has not been so directly involved in US economic policy since the justices weighed the constitutionality of Democratic President Franklin Roosevelt's muscular agenda called the New Deal during the 1930s amid the crisis of the Great Depression.

Columbia Law School professor Kathryn Judge said the fights involving Fed independence and Trump's tariffs "will be key in determining the scope of the president's authority to unilaterally determine economic policy."

"This Supreme Court has taken a very expansive approach to executive authority," Judge said, "but it is not unbounded."

Cook, an appointee of Democratic former President Joe Biden and the first Black woman to serve as a Fed governor, sued Trump in August after he sought to fire her, an unprecedented step by a president against a central bank official. Trump claims that Cook committed mortgage fraud before being appointed to the Fed by his Democratic predecessor Joe Biden in 2022, an allegation she denied and described as a pretext to try to remove her for her monetary policy stance.

Similarly, Fed Chair Jerome Powell on Sunday called a criminal investigation of him launched by Trump's Justice Department a pretext to gain more influence over the central bank and monetary policy. The investigation centers on Powell's congressional testimony about a Fed building project.

Critics see the steps by Trump and his administration targeting Cook and Powell as a bid to pressure the Fed to lower interest rates before the November midterm elections in which Democrats are hoping to regain control of Congress from the Republicans. Pocketbook concerns may loom large for voters.

"With each passing day - and with each passing attack by the Trump administration - I suspect that the court increasingly sees the value of an independent Fed," University of Illinois Chicago law professor Steve Schwinn said.

Vietnam breaks ground on first domestic chip manufacturing plant

ANN/VIETNAM NEWS

Vietnam on Friday officially launched construction of its first semiconductor chip manufacturing facility, a landmark step towards building domestic chipmaking capacity, with Party General Secretary Tô Lâm and Prime Minister Phạm Minh Chính attending the groundbreaking ceremony in Hanoi.

The project is undertaken by the military-run Viettel Group under a Government resolution and marks a pivotal moment as Vietnam develops chip fabrication capabilities for the first time. The facility is intended to lay the foundation for mastering core technologies and building a domestic semiconductor ecosystem.

Located in Hoa Lạc High-Tech Park on a 27-hectare site, the plant will function as national infrastructure for semiconductor research, design, testing and production. Once operational, it will supply chips for multiple industries, including aerospace, telecommunications, Internet of Things, automotive, medical equipment and automation.

A complete semiconductor chip requires six main stages: product definition, system design, detailed design, chip fabrication, packaging and testing and integration and verification.

Vietnam has gradually participated in five of these stages. Chip fabrication, the most complex and critical step, has so far remained beyond domestic reach. The new facility is expected to complete the entire production chain.

Chipmaking is among the most sophisticated technological processes. Starting from ultra-pure

silicon wafers, chips are produced through around 1,000 consecutive manufacturing steps over three months. A single deviation at any stage can disrupt the entire production line, demanding exceptional organisational capacity and technological mastery.

Prime Minister Phạm Minh Chính underscored the strategic importance of the facility.

"This is a crucial step toward realising our national semiconductor industry development strategy," he said. "It creates a foundation for Vietnam to integrate deeper into the global value chain through science, technology and innovation."

The plant will help complete the domestic semiconductor ecosystem, enabling chip design companies, tech startups and research institutions to shorten testing cycles and accelerate product development. It will also serve as a training hub for semiconductor talent, supporting Vietnam's goal of training 50,000 chip design engineers by 2030 and building a semiconductor workforce of 100,000 by 2040.

Viettel has laid the groundwork through specialised training, international partnerships and technology transfers, while accumulating experience in chip research, design and application.

Lieutenant General Tô Đức Thắng, Viettel's chairman and CEO, confirmed the timeline, saying the group will complete construction, receive technology transfers and begin trial production by the end of 2027. The 2028-30 period will focus on optimising processes and improving production efficiency to international standards.

Govt moves to curb yarn

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compared to the previous year, while values increased by over 46 percent. In FY25, volumes grew by another 18.4 percent and values by 26.3 percent.

The ministry said at least 50 spinning mills have already shut down and warned of further losses if the current import trend continues.

It also cautioned that growing dependence on imported yarn could reduce the garment sector's competitiveness due to lengthened lead times, reduce local value addition, and put pressure on foreign currency reserves.

Exporters, however, argue that limiting access to competitively priced yarn could weaken Bangladesh's position in global apparel markets, especially as buyers remain highly price-sensitive.

Showkat Aziz Russell, president of BTMA, said the issue must also be seen in the context of Bangladesh's graduation from least developed country (LDC) status.

He said exporters would need to comply with "two stage transformation" rules - using locally spun yarn instead of imported cotton - to qualify for preferential market access in destinations such as the European Union (EU), the United Kingdom and Japan after graduation.

He also noted that securing GSP Plus benefits from the EU would

require at least 40 percent local value addition, compared to current levels of around 35 percent in spinning, knitting at 20 percent and weaving at 25 percent.

The local spinners mainly produce the 30-count yarn to serve the garment exporters.

While local mills can supply about 90 percent of yarn demand for knitwear and 45 percent for woven garments, the rest still depends on imports from countries including India, China and Pakistan.

Spinners said in fiscal year 2025-26, \$2.0 billion worth of yarn was imported from India, with local mills using 1,600 tonnes daily.

Bangladesh is the largest destination for Indian yarn exports, receiving 44 percent of the total, while Cambodia ranks second at 21 percent.

Earlier, in April last year, Bangladesh banned yarn imports from India through land ports, though sea-route imports remained unaffected. Millers have said they do not seek a complete ban, but rather measures to curb what they describe as dumping.

Contacted, Mohammad Nazirul Islam, first secretary of customs (export and bond), said the NBR had received the commerce ministry's letter. "The issue is under consideration. No decision has been made yet."

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The other arrangement is that qualified and suitable officials of equivalent rank from the merging banks - First Security Islami Bank, Exim Bank, Global Islami Bank, Union Bank, and Social Islami Bank. They may be appointed to the GM positions of the new bank.

The age limits for eligibility are 65 years for MD, 62 years for DMD, and 60 years for GM. The tenure of these positions will be three years on a contractual basis, with the possibility of renewal if necessary.

An eight-member selection committee led by the finance adviser/minister will decide on the appointment of the MD and DMD.

The members will include the principal secretary to the prime minister or chief adviser, the BB governor, the finance secretary, the FID secretary, the public administration secretary, and the chairman of the Shariah Advisory Board of the BB.

Meanwhile, the FID has issued a separate revised policy for appointment and promotion to

Farm success comes at a heavy cost

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Tracing the roots of the current system to the Green Revolution of the 1960s, he said successive governments - regardless of political affiliation - have continued to formulate and implement the same policy framework.

While official figures show that food production has increased more than fourfold, with major gains in fish and vegetable output, the professor said these achievements are celebrated without examining their broader consequences.

"We see headlines about record production and feel impressed. But at the same time, we hear about farmers committing suicide or dying from deadly diseases. These two realities are never brought together," he said.

There is little institutional interest or funding to assess the true cost of production growth. As a result, rising output has coincided with toxic water, depleted groundwater, degraded soil, and food contamination caused by excessive chemical use, according to Muhammad.

Citing research data, he said farmers make up a disproportionately high share of cancer patients,

describing this as a direct outcome of prolonged exposure to pesticides and other agrochemicals.

"Farmers are the primary victims under this development model," he said, adding that the impact will eventually reach non-farmers as well.

He also pointed to emerging health trends that show a rise in non-communicable diseases among people over 40, despite Bangladesh's success in reducing childhood infectious diseases.

"Heart disease, kidney failure, liver disease, and neurological disorders are increasingly linked to environmental factors," he said.

"These illnesses reduce productivity and shorten life expectancy. If life expectancy were calculated accurately, the figures would likely fall," he said, noting that many people now face major health shocks in middle age.

He criticised universities and research institutions for failing to question the dominant development model, saying research has prioritised rapid production over indigenous seed conservation, water conservation, and biodiversity.

With an election approaching, Muhammad said political parties were unlikely to rethink the model on their own, calling instead for a fundamental shift in agricultural thinking driven by public pressure and collective action.

At the event, Pavel Partha, spokesperson of the new platform "Safe Agriculture and Food Movement," placed 20-point demands, including stopping the use of dangerous pesticides, ensuring minimum wages for workers in the sector, and launching a pension for farmers.

"We hope the political parties and candidates who are participating in the upcoming national election will address our demands in their respective manifestos," he said.

Capital market went through major reforms in 2025

Says BSEC chairman at stakeholder meeting

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has carried out major legal reforms in the stock market, said its chairman, Khondoker Rashed Maqsood.

The capital market saw significant changes in 2025 with the completion of the Margin Rules, the Mutual Fund Rules, and the Public Offer of Equity Securities Rules, he said at a stakeholders' meeting organised by the commission yesterday at its office in the capital.

"The heart of the capital market is the initial public offering (IPO), and the pathway for new IPOs to enter the market has been made easier through the public offer-related rules," the BSEC chairman said.

"Now is the time to make proper use of this opportunity, and market stakeholders must work towards this," he added.

Maqsood highlighted the commission's initiatives and activities aimed at reforming and developing the capital market.

The pathway for new IPOs to enter the market has been made easier through the public offer-related rules

"We must work to resolve the identified obstacles or problems and move forward," said Anisuzzaman Chowdhury, special assistant to the chief adviser and chief guest of the event.

He emphasised the need for unanimous decisions based on cooperation and collective opinions, and the importance of ensuring their implementation.

He also directed that the existing identified obstacles be resolved swiftly and called upon market stakeholders to work towards capital market development by setting clear targets under a long-term plan.

Experts at the meeting emphasised adopting a five-year plan for capital market development, introducing new products, listing state-owned enterprises and multinational companies in the capital market, developing the mutual fund sector, and ensuring institutional governance.

Mominul Islam, chairman of the DSE; Saiful Islam, president of the DSE Brokers' Association of Bangladesh; Nuzhat Anwar, managing director of the DSE; and Niranjan Chandra Debnath, managing director of the ICB, were also present at the meeting.

Meanwhile, the DSEX, the benchmark index of the DSE, jumped 76 points, or 1.53 percent, to 5,035 points yesterday. With that, the index crossed 5,000 points after one and a half months.