



## Sammilito Islami Bank depositors to get profit from Feb 1

STAR BUSINESS REPORT

Depositors of Sammilito Islami Bank will be able to withdraw profit on their deposits from February 1, Bangladesh Bank (BB) Governor Ahsan H Mansur said yesterday.

All depositors' principal amounts would remain fully secure and would be returned gradually, as previously announced, he said at a press conference at BB headquarters.

Currently, customers are allowed to withdraw up to Tk 2 lakh from any deposit scheme, he added.

The governor acknowledged that dissatisfaction has surfaced in various quarters regarding Sammilito Islami Bank, but said the authorities are working to address the issues.

"No plan can be implemented with 100 percent success. Problems are identified over time and resolved step by step," he said, adding that some groups are attempting to obstruct the implementation of Sammilito banking operations.

Mansur said that from January 1 this year, depositors have been receiving profit at market rates.

The profit rate has been fixed at 9.5 percent for deposits with a tenure of more than one year, while deposits with a tenure of less than one year will earn 9 percent.

He said that depositors' interests are being given the highest priority in the reform process, adding that the government's 4 percent support for two years is costing an additional Tk 4,500 crore.

# Startups, venture capital can hold shares in microfinance banks

Microcredit market leaders welcome gazette, say impact depends on implementation

## TAKEAWAYS FROM MICROCREDIT BANK ORDINANCE

### SHAREHOLDERS

Microfinance institutions, startups, venture capital, individuals and borrowers

### MODEL

Social business; investor dividends capped; borrower-shareholders can receive dividends

### REGULATOR

Bangladesh Bank to issue licences

### OPERATIONAL SCOPE

Banks can operate locally or nationwide

### CAPITAL REQUIREMENTS

Authorised capital: Tk 500cr

Paid-up capital: Tk 200cr

### ACTIVITIES

Can collect deposits, invest in new initiatives and small ventures, and lend to new and small entrepreneurs

## STAR BUSINESS REPORT

The government has issued the ordinance on the establishment of long-discussed microfinance banks, opening the door for microcredit institutions, startups and venture capital firms to become shareholders alongside individual entrepreneurs.

Titled as the Microcredit Bank Ordinance 2026, the law allows these banks to operate as social business entities, capping dividends for investors at the level of their total investment.

Borrower-shareholders, however, will be eligible to receive dividends.

Under the law, microfinance banks will take deposits from individuals, organisations and borrowers. They will also be able to borrow funds from the banks by pledging their assets as collateral.

The ordinance says the banks will lend to new entrepreneurs to support job creation and poverty reduction, with or without collateral.

The banks will also make capital

investment directly in businesses run by young and small entrepreneurs. It will finance the purchase and storage of industrial and agro-based products, fisheries and livestock, as well as machinery and spare parts.

The Bangladesh Bank will issue licences for the new institutions, which may operate in a single district, across multiple districts or divisions, or nationwide.

Before applying for a licence, prospective banks will have to be registered under the Bank Company Act 1994, according to the ordinance issued by the law ministry on Wednesday.

The gazette notification was published two weeks after the approval by the Advisory Council and amid concerns from leading microfinance institutions that the new banks could weaken the sector's role in poverty alleviation and financial inclusion.

As per the law, the authorised capital of a microfinance bank will be Tk 500 crore, with a minimum paid-up capital of Tk 200 crore at inception.

Each bank will be governed by a 10-member board, comprising three directors from borrower-shareholders, two nominated by the Bangladesh Bank and three representing other shareholders. The managing director will also sit on the board but will not have voting rights, according to the notification.

Asif Saleh, executive director of BRAC, one of the country's largest microfinance institutions, described the ordinance as a positive step, saying it formally recognises startups and venture capital within Bangladesh's regulated financial system.

"Innovation finance has long needed a clear policy framework," he said.

He added that the regulation appears to strike a balance by enabling risk capital for startups while maintaining safeguards for financial stability. "Whether the regulators will understand risk for such an initiative and be more flexible and innovative is another question," he also noted.

Saleh said access to patents and appropriate capital has long constrained

READ MORE ON B3

## EU-India trade deal: What does it mean for Bangladesh?

ABDUR RAZZAQUE



Dubbed the "mother of all trade deals," the EU-India free trade agreement, concluded after more than two decades of negotiation, appears to be the most consequential for Bangladesh among recent trade deals involving other countries. The agreement delivers market access gains for India in those sectors that have long underpinned Bangladesh's export success in Europe, notably textiles, apparel, leather, and footwear.

With Bangladesh set to graduate from LDC status in November 2026, and its preferential access to the EU market expected to erode after a three-year transition period, the timing of this deal could not be more unsettling. While trade agreements of other countries lie beyond Bangladesh's control, this one demands utmost seriousness in assessing how competitive conditions would reshape in its most important export destination, and what that implies for preparedness, policy priorities, and the sustainability of an export model built largely on preferential margins rather than enduring competitiveness.

For decades, Indian exports of garments, textiles, leather, and footwear entered the EU facing substantial tariffs. The EU-India FTA dismantles this constraint almost entirely. For instance, it would slash duties on footwear from 17 percent to zero, and apparel and textiles from 9-12 percent to zero, substantially strengthening India's competitiveness.

Therefore, in a twist of irony, the very advantages of preferential margins that once propelled Bangladesh's rapid ascent in the EU market are now eroding, just as key competitors secure permanent duty-free access through free trade agreements.

READ MORE ON B3



# Impose tax on gifts, bequests: taskforce

## TASKFORCE'S RECOMMENDATIONS

TOTAL POLICY ISSUES COVERED: 55

### Tax-to-GDP ratio

- Target 10-12% by 2030
- Target 15-20% by 2035

### Restructuring tax share

INDIRECT TAX RATIO: from 70 to 50

DIRECT TAXES: from 2.5% to 9-10% of GDP

TRADE TAXES: from 2.5% to 1% of GDP

### MAJOR FLAWS OF TAX SYSTEM

Narrow tax base

Overly manual tax administration

Distorted tax structure



### PRIORITY REFORMS

Introducing 1% tax on gifts and bequests

Integrating inheritance taxation for first time in 54 years

Encouraging market formalisation

## STAR BUSINESS REPORT

A national tax reform taskforce has recommended introducing a 1 percent levy on gifts and bequests as part of efforts to modernise Bangladesh's tax system and raise the tax-to-GDP ratio.

Bequests refer to assets or property passed on to another person without payment, either during the owner's lifetime or after death.

Under the taskforce's proposal, the tax would apply to transfers of both tangible and intangible property, including inheritance following a person's death.

Assets would be assessed at their fair market value at the time of ownership changes, including when land or property is formally transferred to heirs through mutation in official records.

Currently, transfers of money and movable or immovable property among parents, spouses, children, and siblings are exempt

from tax.

Zaidi Sattar, chairperson of the taskforce and chairman of Policy Research Institute, yesterday unveiled the suggestions at a press briefing in Dhaka. The 11-member panel, formed in October 2025, handed over its report titled "Tax Policy for Development: A Reform Agenda for Restructuring the Tax System" to Chief Adviser Muhammad Yunus on Tuesday.

In the report, the panel suggested reducing the trade taxes from the current 2.50 percent to 1 percent of the GDP (gross domestic product).

It also recommends reducing the share of trade taxes in total revenue from around 28 percent currently to 15 percent by 2030 and to about 7.5 percent by 2035.

The panel's report includes a set of key policy recommendations aimed at restructuring Bangladesh's tax system to cover direct and indirect taxes, which could help to enhance the tax-to-GDP ratio and support

the country's overall economic development.

It said ensuring long-term economic prosperity and meeting the country's growing development needs will require a comprehensive and structural overhaul of Bangladesh's tax system, rather than fragmented or purely administrative reforms.

Bangladesh's existing tax system is unnecessarily complex and inefficient, characterised by a narrow tax base, excessive reliance on manual processes in tax administration, and heavy dependence on indirect taxes, said the report.

It notes that without a coherent and well-structured tax policy framework, sustainable and credible revenue mobilisation cannot be achieved through administrative measures alone. "As a result, piecemeal reforms will fail to deliver the desired outcomes."

READ MORE ON B2

## NBR extends tax return deadline to February 28

## STAR BUSINESS REPORT

The National Board of Revenue (NBR) has again extended the deadline for individual taxpayers to submit income tax returns by another month.

Under a special order issued yesterday, taxpayers will now be able to file returns for the 2025-26 tax year until February 28.

This marks the third extension of the deadline. The original deadline was November 30, which was first extended to December 31, then to January 31, and now to February 28.

The tax authority said the extension was granted in the public interest.

As of yesterday, a total of 36.36 lakh taxpayers had submitted their income tax returns online, while the number of Taxpayer Identification Number (TIN) holders is 1.25 crore.

The NBR has made online submission of income tax returns mandatory for all individual taxpayers this year. Under the order, returns must be filed through the NBR's e-return portal at [www.etaxnbr.gov.bd](http://www.etaxnbr.gov.bd).

However, acknowledging registration difficulties on the e-return system, the NBR has allowed conditional relaxation. Taxpayers unable to file online may apply for permission to submit paper returns.

# Govt to split CAAB

Plans two entities for regulatory and operational roles

## STAR BUSINESS REPORT

The government has made a policy decision to split the Civil Aviation Authority of Bangladesh (CAAB) into separate entities for regulatory and operational functions.

The Ministry of Civil Aviation and Tourism informed CAAB on Wednesday about the decision through an official letter.

At present, CAAB performs a dual role. On one hand, it acts as a regulator, overseeing the country's civil aviation safety and security. On the other hand, it functions as an operator, providing air navigation services and managing airports.

This dual responsibility creates a conflict of interest when CAAB, in its role as regulator, makes decisions concerning its own operational activities, the ministry noted.

The need to separate CAAB's regulatory and operational entities was highlighted in audits conducted by the International Civil Aviation Organization (ICAO).

In addition, a probe committee led by the Senior Secretary of the Ministry of Home Affairs, formed to investigate the fire incident at the import cargo complex of Hazrat Shahjalal International Airport on October 18, 2025, also recommended separating CAAB's operator and regulatory functions.

READ MORE ON B3

## PRICE SENSITIVE INFORMATION



This is for information of all concerned that the Board of Directors of Bank Asia PLC. in its 578<sup>th</sup> meeting held on the 29<sup>th</sup> of January 2026, at 2:30 p.m. at the Board Room of the Bank at Bank Asia Tower, 32 & 34 Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka-1215 has taken the following decisions:

- Proposed Special Resolution:**  
"RESOLVED that the proposal for approval of the scheme for acquisition of the assets and liabilities of Bank Alfalah Limited, Bangladesh Operations, by Bank Asia PLC. subject to the approval from the relevant regulatory authorities and the shareholders of the Bank at the 13<sup>th</sup> Extraordinary General Meeting be and is hereby approved."
- 13<sup>th</sup> Extraordinary General Meeting:**  
Date : 12 April 2026  
Time : 11:00 AM  
Venue : Through Digital Platform (link will be communicated in due course)  
Record date : 26 February 2026

The shareholders whose names will appear in the Register of Members of the Company as at the close of business on the Record Date will be entitled to attend and vote at the Extraordinary General Meeting.

Dated: Dhaka  
29 January 2026

**Bank Asia PLC.**  
Corporate Office, Bank Asia Tower  
32 & 34, Kazi Nazrul Islam Avenue  
Karwan Bazar, Dhaka-1215