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Fix the accountability gap in NBFI sector

The regulator must not fail depositors as six NBFIs did

Trust is the only commodity a financial system truly sells. Interest rates and contract terms are secondary; what depositors ultimately buy is the belief that their savings are protected. Over the years, as six non-bank financial institutions (NBFIs) in the country has drifted towards insolvency on the watch of an inattentive regulator, that trust has been broken. And now, nearly 2,000 families are paying for a promise that was never kept. The six institutions, including FAS Finance, People's Leasing, Premier Leasing and International Leasing, collapsed due to mismanagement, governance failures, and bad loans. The Bangladesh Bank ordered them into liquidation in January. What's striking is how long the regulator took to act, and how little has been done since to protect those depositors.

The NBFI sector occupies a peculiar blind spot in our financial system. When banks wobbled, the central bank moved, albeit belatedly and imperfectly. Deposit protection schemes, restructuring and public attention followed, but no equivalent efforts have been applied to the 35 NBFIs. Depositors were not making reckless bets; they simply parked funds in licensed entities that offered slightly higher returns. So the implicit contract was breached both by the institutions and by the regulator that licensed them.

At a press conference on Wednesday, the affected depositors articulated a simple principle: a depositor is a depositor. It should not matter whether one's savings sit in a bank or a leasing company. Both are licensed. Both issue receipts. Both attract ordinary people of ordinary means seeking ordinary security. We concur with the argument that leaving NBFI depositors exposed is not an acceptable practice.

The new BB governor has signalled that reform will continue, including pressing ahead with NBFI liquidation. That is the right instinct. Zombie institutions that cannot return deposits are better wound down than kept on life support. But liquidation without a credible deposit recovery mechanism is not reform. Instead, the authorities should act on three fronts. First, they must establish a time-bound repayment schedule. A three-to-six-month window—as the depositors' alliance has demanded—is not unreasonable for principal recovery, given the assets that remain to be liquidated. Second, deposit protection must be extended to NBFIs with appropriate calibration. Third, those responsible for the mismanagement and regulatory forbearance that enabled this crisis must face accountability.

There is an argument that bailing out NBFI depositors sets a moral hazard—that it is akin to rewarding those who chased higher yields. But the depositors in question were not hedge funds speculating on distressed debt. They were retired civil servants, charitable trusts funding orphanages, and families saving for medical emergencies. Moral hazard arguments carry weight when sophisticated actors take calculated risks.

Regulators are now attempting, with mixed results, to restore confidence in a financial system shaken by years of political interference and poor governance. Foreign investors are watching for signals. The handling of this NBFI crisis is, in miniature, a test of whether those signals are meaningful. The government therefore must remember that confidence is harder to rebuild than it is to squander, and nothing will restore confidence faster than ensuring those depositors are repaid.

Measles treatment draining pockets

Govt must enforce mechanisms to reduce healthcare costs

It is unfortunate that parents are often driven to poverty simply to keep their children healthy and alive in Bangladesh, where citizens pay more than two-thirds of their total health expenditure out of their pockets. The gravity of the situation becomes evident when we are hit with health emergencies such as the ongoing measles outbreak. According to a recent *Prothom Alo* report, many parents of measles-affected children are struggling to afford the treatment costs, especially when the patients require paediatric intensive care (PIC), which is in inadequate conditions at public hospitals.

The report quoted several parents from low-income families who have spent between Tk 1 lakh and Tk 7 lakh for their children's treatment. Many are having to borrow money to pay for lengthy hospital stays, ambulance services, expensive PICU care (sometimes in private hospitals), medicine and diagnostic costs, and even attendant food and accommodation expenses. Even after all this, some parents have had to suffer the misfortune of watching their cherished children breathe their last. Between March 15 and April 15, there have been 166 cases of suspected measles deaths in the country. In 24 hours till 8am on April 16, six more children died with measles symptoms while 811 children were admitted to hospitals, according to the Directorate General of Health Services.

Although costs at government hospitals are comparatively low, many lack the capacity to provide care during disease outbreaks. Several district hospitals lack adequately equipped ICUs, let alone PICUs. Even when ICU beds are available, staff shortages make it impossible to provide patients with much-needed care. Even divisional hospitals, like the Rajshahi Medical College Hospital (RMCH), deal with such crises. In March alone, 229 patients died at RMCH while waiting for ICU beds. Among them, 19 were children.

What's unfortunate is that these deaths could have been prevented to a large extent had we ensured a 95-percent immunisation rate through timely measles vaccination. Thankfully, the government has started an immunisation drive, and it must not stop until the necessary coverage to rein in the outbreak is achieved. At the same time, as it did during the height of the Covid pandemic, the government must open a special measles cell with emergency contact numbers; collect, update, and disseminate information on available PICUs in both public and private hospitals; urgently address the staffing and ICU crises at public hospitals outside Dhaka; and issue early disease detection and quarantine protocols if needed. Most importantly, authorities must formulate innovative policies to reduce our high out-of-pocket health expenditure, which is pushing more and more people into poverty.

Reinstating a weaker NHRC is a dangerous regression

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A country that has lived through secret detention sites, enforced disappearances, extrajudicial killings, and the slaughter of July protesters does not strengthen its human rights architecture by reviving a weaker watchdog. But the parliament, elected two months ago, has done precisely that by passing the bill that repeals the interim government's National Human Rights Commission (NHRC) Ordinance, 2025 and revives the old framework. The government says this is a temporary step, that more scrutiny and stakeholder consultation are needed. This defence is not convincing. The 2025 reform process itself was built on consultations involving more than 600 stakeholders, and even organisations that later criticised parts of the ordinance argued for amendment, not wholesale rollback. Consultation can justify refinement, but it does not justify a return to a structure with a much longer record of dependency and failure.

The difference between the 2009 act and the 2025 ordinance was not cosmetic. Under the NHRC Act, 2009, the appointment structure was dominated by state power, with the speaker, law minister, home minister, Law Commission chair, cabinet secretary, and two MPs shaping the process. The ordinance project moved in a more credible direction. It required public advertisement, verification, shortlisting, and interviews, and it opened space for consultation with civil society and relevant stakeholders. Most importantly, in Section 3(2), it stated in express terms that the commission would not remain under any ministry or division. That was a serious attempt at building institutional distance from the executive. Yes, later changes drew justified criticism for reintroducing some bureaucratic influence. But that only proved the ordinance needed correction, not that it should be discarded entirely and the older, weaker law should be restored.

The real issue, however, was never ceremonial independence—it was operational power. Under Section 18 of the 2009 act, allegations against disciplined forces were effectively trapped within the state. The commission could ask the government for a report and then recommend action. That is not independent investigation. That is administrative petitioning. The ordinance framework was fundamentally different. It expressly brought security forces within the commission's mandate, empowered the NHRC to demand records and cooperation, allowed it to create investigation teams, barred the accused institution from investigating its own personnel, permitted urgent interim protection measures, and authorised inspections of places of detention without prior permission from the controlling authority. A human rights commission is tested where abuse is most likely, not where the government is least embarrassed. On that test, the ordinance was plainly more independent and more effective.

VISUAL: **ANWAR SOHEL**

That conclusion is reinforced by the history of the NHRC under the older law. Bangladesh's commission remained stuck at B status under the international accreditation process, with long standing concerns about weak powers, an executive-heavy selection process, and dependency on the state. The record was equally dispiriting in practice. In the killing of Akramul Haque, the commission visited the family and wrote to the home ministry, but did not carry out a robust public inquiry of its own. In the case of Shahidul Alam, a formal complaint detailing custodial torture was submitted to the NHRC. Yet, consistent with its practice under the 2009 act, the commission did not undertake an independent investigation, instead operating within a framework that largely depended on seeking reports from the government. Amnesty noted that, during the government crackdown on the July protesters in 2024, the then NHRC chair responded with a restrained statement, saying the situation was "unfortunate and a violation of human rights." That is the central lesson of the old framework. When the state is accused, a structurally timid human rights watchdog becomes an institutional spectator.

The collective resignation of the entire NHRC after the 2025 ordinance was repealed should therefore not be dismissed as theatre. It was an institutional distress signal. The members effectively acknowledged that once the legal foundation of their appointment had been extinguished, remaining in office would only normalise regression. Their open letter matters because it was not merely self-vindication but a warning that victims of enforced disappearances and participants in the July uprising could now face a weaker avenue for protection and accountability. Justice Moyeenul Islam Chowdhury's role gives that warning additional weight. He is the judge who led the High Court bench that struck down the 16th Amendment in a landmark judgment (subsequently upheld by the Appellate Division), and later chaired the Commission of Inquiry on Enforced Disappearances, whose final report documented secret detention sites, heard hundreds of victims and relatives, summoned officers, and helped shape the newer accountability framework. Sweeping aside a commission led by such a figure was not a neutral tidy up. It was a political signal.

The timing makes the rollback even more indefensible. The OHCHR fact-finding report found reasonable grounds to believe that the Awami League government and its security and intelligence apparatus committed serious violations during the July-August protests in 2024, including hundreds of extrajudicial killings, mass arrests, arbitrary detention, and torture. Bangladesh also continues to live with the unfinished moral and legal wreckage of enforced disappearances. In that setting, the need was not for a commission that must lean on government reports when security forces are accused, but for a commission with unannounced access to detention sites, public credibility in appointments, interim protection powers, and legal authority strong enough to make the state answer to victims. If ever there was a moment to strengthen the NHRC, it was after July 2024, and now when there is again a political government. Reinstating a weaker model at precisely this moment sends the wrong signal.

The takeaways here are stark. First, legal design matters. A human rights commission cannot be independent in practice if its appointment process, investigative powers, and access to coercive institutions are structured around executive comfort. Second, the government's consultation argument fails on its own terms. If the ordinance had defects, it could have been amended clause by clause in public. Repeal was the most regressive option available. Third, the resignation of the whole commission shows that this was not perceived, even by those at the centre of the institution, as a benign technical adjustment.

The way forward is clear. Parliament should publish a clause-by-clause comparison of the old law, the repealed ordinance, and any proposed replacement, and then legislate transparently with the victims' groups, July survivors, lawyers, rights defenders, journalists, and minority communities in the room. Any new law worthy of Bangladesh must preserve the ordinance's strongest features: explicit freedom from executive control, a transparent and plural appointment process, full jurisdiction over security forces without prior government permission, unannounced inspection powers, interim protective authority, and protected institutional autonomy. The 2025 ordinance was imperfect, and some of its later dilution deserved criticism. But imperfect reform is still reform. Reinstating a weaker NHRC after the gravest abuses the country has suffered in recent memory is regression dressed up as prudence.

Even if dormant, the RTI Act's promise remains powerful

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As the Right to Information (RTI) Act, 2009 remains effectively dormant in Bangladesh, RTI advocates must now rely on the new government's resolve to operationalise it. The law has been inoperative due to the absence of information commissioners since the interim government assumed power in August 2024 following a mass uprising—a situation that appears to reflect deliberate inaction intended to shield its activities from public scrutiny. While prioritising pressing issues in its early days, the current government has chosen to postpone consideration of the slapdash RTI (Amendment) Ordinance, along with a few others, left behind by the interim administration. While that matter must now wait, what cannot be delayed any further is the urgent need to fill the vacant posts of information commissioners and restore the law to full functionality.

This is important not only in its own right but also because the law's effective use can help the government fulfil its commitments—commitments in which citizens themselves have an important role to play through the proper use of the RTI Act.

However, as we await its revival, citizens would do well to acquaint themselves with the law's broader possibilities beyond the routine uses observed since its adoption. For this, we need not look far: experiences of our neighbouring countries that embarked on the RTI journey around the same time offer valuable lessons. We highlight a few recent cases from India and Sri Lanka for their relevance to Bangladesh.

Indeed, RTI enthusiasts in Bangladesh—and the new team of information commissioners, once appointed—would do well to consult, among other sources, the decisions of the Right to Information Commission of Sri Lanka and the Court of Appeal's role in strengthening RTI jurisprudence. These experiences underscore the critical importance of an independent and neutral dispute resolution mechanism in advancing the effective use of the RTI law.

We begin with the story of former Sri Lankan President Gotabaya Rajapaksa, who fled the country in 2022 at the height of a popular uprising—a situation not entirely unfamiliar in our own context. A citizen sought information on whether he had left aboard a naval vessel and what public resources were used. The authorities refused, citing national security.

Sri Lanka's RTI Commission, and ultimately the Court of Appeal, rejected this blanket refusal. While allowing limited withholding of sensitive operational details, they held that financial information regarding the use of public resources must be disclosed. The court affirmed that "national security" cannot serve as a blanket excuse for withholding information when public money and executive accountability are at stake, underscoring the primacy of transparency even in moments of crisis.

By contrast, public engagement with such sensitive uses of the law in our own context remains limited. Unless civil society, equipped with knowledge and a sense of responsibility, actively utilises the RTI framework, its full potential will remain unrealised.

Another Sri Lankan case, *M.J.K. Dissanayake v. Asia Broadcasting Corporation (Pvt) Ltd*, further illustrates the law's reach. The Court of Appeal upheld a ruling by the Information Commission that a private television broadcaster, Hiru TV, could be treated as a "public authority" under the RTI Act. The case arose from an RTI request seeking information on the editorial verification of a disputed news report. Rejecting the claim that the broadcaster was purely private, the Information Commission and the Court of Appeal underlined that entities performing public functions under a state licence, such as the use of public frequencies, are subject to RTI obligations, while allowing for the protection of journalistic sources.

This decision is significant for extending RTI's reach beyond the state to private actors exercising public influence. In Bangladesh, we often lament that the law does not extend to private entities while doing little to explore its existing possibilities, including recourse to the High Court.

An instructive example from India concerns the disclosure of a committee report. In *Sajimon Parayil v. State of Kerala and Others*, a citizen sought access to the Justice Hema Committee Report on gender discrimination in the Malayalam film industry. Although it was submitted in 2019, the government withheld it, citing sensitivity.

The Kerala State Information Commission ordered disclosure with redactions, and the Kerala High Court upheld the decision on August 13, 2024. It affirmed that the RTI Act does not permit blanket refusal merely because parts of a document are sensitive; rather, it permits partial disclosure, with protected information removed. The court emphasised that privacy concerns can be addressed through redaction and that matters of public interest warrant disclosure. In Bangladesh, many such committee reports remain out of public reach, largely because citizens seldom seek them under the RTI Act.

The lesson is clear. Even in its current state, the RTI Act retains immense, largely untapped potential. Realising its full promise will depend not only on the government's political will but also on an informed and engaged citizenry ready to use it. The responsibility, therefore, lies with them—to understand the law, test its limits, and begin reclaiming it as an instrument of accountability, even before the information commissioners are appointed, and more so once they are.

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