Business

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Govt overhauls property valuation rules to reflect market prices

Minimum mouza rates replaced to narrow gaps between declared and actual property prices, curb tax evasion and raise revenue

MD ASADUZ ZAMAN

The government has scrapped the minimum mouza rates used to value land and other immovable property and replaced them with actual market prices, aiming to curb tax evasion, reduce undisclosed wealth and raise revenue.

Under the new rules, committees led by senior local administration officials will set values, and the lists will stay valid for three years. Previously, a committee led by the district registrar set values and revised the lists every two years.

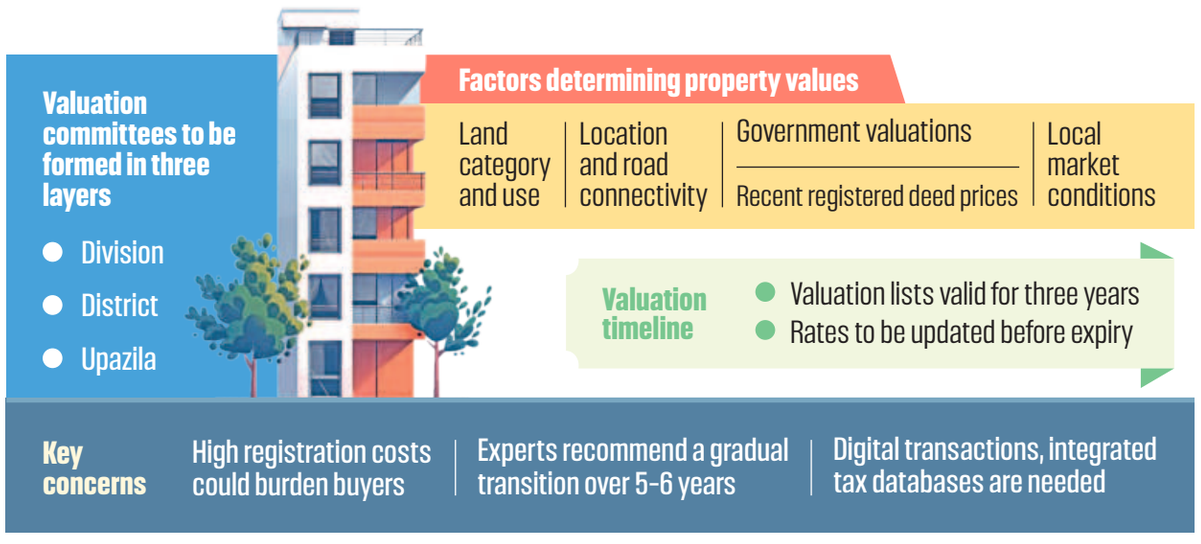
In this regard, the government issued the amendment to the Registration Rules, 2010, through a gazette notification on Wednesday.

Md Emdadul Hoq Chowdhury, acting secretary of the Ministry of Land, said the old system failed to reflect market prices and allowed untaxed money to build up.

"Property valuation is based on mouza rates, which are generally much lower than actual market prices. This creates a gap between the two," he said.

He said the difference enables tax evasion and the creation of undisclosed assets. The change aims to boost revenue collection and strengthen financial governance.

According to the finance ministry, the government collected Tk 11,753 crore from land and stamp taxes in fiscal year 2024-25. The amendment drops the word "minimum", so committees must now set the actual market value rather than a floor.



Three tiers of committees will do the work. Divisional committees, chaired by divisional commissioners, will value land in city corporation areas.

District committees, led by deputy commissioners, will cover municipalities and cantonment board areas. Upazila committees, led by upazila nirbahi officers (UNOs), will handle everywhere else.

Each committee will include representatives of administration, public works, local government, land, tax and the relevant development authorities.

The committees will consider land category, use and location, road connectivity and other infrastructure, government valuations, and recent sales recorded in registered deeds. They will also consider local market rates gathered through inquiries and public hearings.

The committees must prepare valuation lists that will remain valid for three years. Before expiry, they will review existing rates and prepare revised lists through the prescribed process. The amendment also clarifies how properties should be valued when the deed price differs from the market value.

Emdadul said the committee system is an interim measure until a more comprehensive, technology-driven valuation system is introduced. "We are now moving towards market-based pricing," he said.

The government is working with South Korea to develop an automated online system that will determine property values using cadastral data, land prices and indicators such as the level of development in an area.

"Based on these factors, an online system will be developed. It will be somewhat formula-based, with certain criteria determining the market price," he said.

The system, which will be updated continuously, could take one to one and a half years to develop.

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Law firm traces $500m of Sikder Group assets abroad: BB official

STAR BUSINESS REPORT

A law firm engaged to recover money allegedly laundered by Sikder Group has identified the group's overseas assets worth about $500 million, a Bangladesh Bank official familiar with the matter told The Daily Star yesterday.

The finding was discussed at a recent meeting between the banks concerned and the asset recovery task force, they said.

The BB official, who is involved in the recovery initiative for local banks, said international law firms had reviewed the bank documents, including records of non-performing loans (NPLs) and personal guarantees.

The lawyers found the documents strong enough to support civil proceedings in foreign jurisdictions, said the official, who spoke on condition of anonymity.

A significant portion of the group's assets has been traced overseas, the official said.

Loans linked to Sikder Group that have turned non-performing exceed $1 billion, the BB official added. They, however, stressed that this does not mean the same amount will be recovered.

Sikder Group, a family-owned conglomerate founded by Zainul Haque Sikder in the early 1950s, had controlled National Bank for many years.

Zainul Haque Sikder served as the group's chairman until his death in 2021. His sons, Rick Haque Sikder and the late Ron Haque Sikder, later became directors.

Meanwhile, the local banks have completed a three-to-four-month due diligence process involving more than 10 litigation funders, who could finance the legal proceedings.

Their investment committees are yet to approve the proposals, the BB official said.

Under the proposed arrangement, the funders will recover their investment first from any money recovered through the proceedings. The central bank official said this was standard practice internationally, although it was relatively unfamiliar in Bangladesh.

The banks, according to the regulatory official, have little alternative, as financing the legal proceedings themselves would require $10 million to $40 million over five years, an expense they cannot afford.

Foreign exchange reserves will not be used for the initiative, they said.

If the recovery effort fails over the five-year period, the banks will not have to bear the costs, they added.

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Garment workers to get rice at Tk 30 a kg under OMS

STAR BUSINESS REPORT

The government is expected to launch a special Open Market Sale (OMS) programme today to sell rice to garment workers at a subsidised price of Tk 30 per kg, as rising living costs put pressure on household budgets.

Under the programme, each garment worker will be able to buy up to 10 kg of rice a month at Tk 30 per kg, said an official of the food ministry.

The decision comes amid unrest in garment-sector areas over wage demands. The Minimum Wage Board, formed early this month, has begun its work and held two meetings.

At Monday's meeting, the workers' representative proposed a minimum wage of Tk 32,000.

The ministry plans to implement the programme initially in Dhaka metropolitan area and the rest of Dhaka district, Gazipur and Narayanganj districts, and Chattogram metropolitan area and the rest of Chattogram district.

Rice will be sold from 75 trucks on Fridays, the garment industry's weekly holiday.

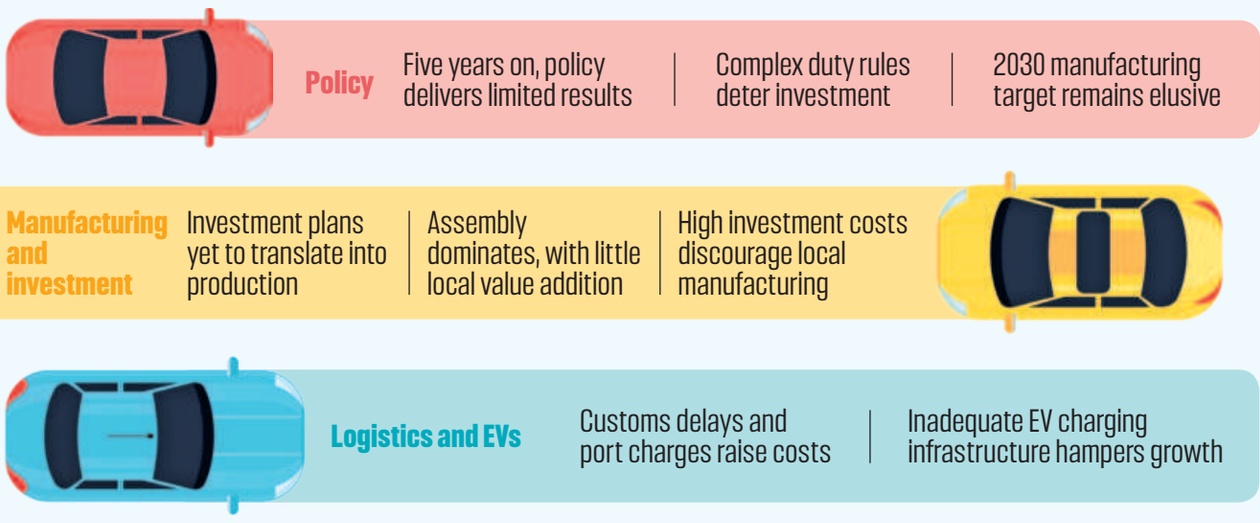
To implement the scheme, the food ministry wrote to the finance ministry yesterday, seeking additional funds.

The letter said the decision was made to reduce garment workers' food expenses and give them access to affordable rice.

According to the letter, the Directorate General of Food will ensure proper implementation, transparency and accountability.

Workers with ID cards issued by their factories will be able to buy rice at a subsidised rate, according to the letter.

Food ministry officials also said that public rice stocks are currently adequate, so supplies can come from existing reserves.



Auto policy fails to drive manufacturing growth

JAGARAN CHAKMA

Five years after the launch of the country's first automobile industry policy, the ambition of becoming a regional vehicle manufacturing hub by 2030 remains largely unfulfilled.

Introduced in September 2021, the policy aimed to reduce dependence on imported vehicles, promote electric transport and attract investment in local production through tax incentives, lower import duties and other benefits.

Since then, several local companies have started assembling vehicles in partnership with Japanese, South Korean and Chinese automakers. At least five companies, including state-owned Pragati Industries and private firms Fair Technology, Rancon and Meghna Group, are now assembling passenger cars.

Industry insiders estimate that around Tk 2,500 crore was invested in the first two and a half years after the policy's launch. However, the extent to which this has increased production capacity and local sourcing of parts remains unclear.

They say a wide gap persists between the policy's promises and its implementation.

Subrata Ranjan Das, managing director of ACI Motors, said the policy had set the right direction, but implementation had fallen short of expectations.

Investors need a stable duty structure, clear incentives and faster approvals, he said. The policy's success should be measured by actual investment, local production and domestic value addition.

On electric mobility, Subrata said EVs would gain wider acceptance only if they became affordable. Reasonable prices, reliable charging facilities, battery warranties and access to financing are essential to encourage buyers.

He suggested initially focusing on two- and three-wheelers, city buses and commercial fleets, while promoting local production of batteries and other components.

However, economic pressures following the Covid-19 pandemic, political disruptions and global crises have slowed investment and market growth, making the 2030 target increasingly unrealistic. He called for a more practical roadmap focused on higher production, local suppliers, skilled workers and competitive costs.

Mir Masud Kabir, managing director of Bangladesh Auto Industries Ltd, said the government had held two rounds of discussions with stakeholders on the proposed Automobile Policy 2026–2031. However, concerns remained over the implementation of the existing policy.

He said the government aimed to raise EVs' share of the market to 30 percent by 2030, but the broader automobile policy was still receiving insufficient attention.

Taskeen Ahmed, director of IFAD Autos PLC, said Bangladesh had made some progress in attracting private investment and setting up assembly plants, but actual investment, technology transfer and local production of vehicle parts remained limited.

Despite the slow progress, new investment plans by major international automakers have raised hopes for expanding local production.

Japan's Toyota Tsusho Corporation plans to set up a hybrid electric vehicle manufacturing plant in an economic zone, with work expected to begin in 2027 and full-scale production targeted for 2029.

Meanwhile, local manufacturer Runner Automobiles PLC has partnered with Chinese EV maker BYD to produce electric cars in the country.

However, the EV industry faces several challenges, including a shortage of charging stations, energy supply constraints, limited financing, a lack of skilled workers and inadequate battery recycling facilities. Battery production also remains heavily dependent on imported cells and technology.

Taskeen called for an updated policy aligned with the proposed EV framework, setting clear targets for EV adoption, developing charging infrastructure, expanding battery production and increasing local manufacturing.

He also stressed the need to attract global automakers through joint ventures, technology transfers and strategic partnerships.

HIGH COSTS, COMPLEX RULES HOLD BACK INVESTMENT

Manufacturers say some existing policy conditions also make investment difficult.

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SPOTLIGHT

BB sells $200m to stabilise forex market

STAR BUSINESS REPORT

Bangladesh Bank (BB) yesterday sold about $200 million in the interbank market to bring stability to the foreign exchange market and contain the rising cost of the greenback, bankers said.

The US dollar has been gaining against the taka, Bangladesh's currency, for the past couple of months amid higher demand to settle rising import bills, particularly for fuel and essential commodities ahead of Ramadan.

The taka weakened further yesterday in the interbank market despite the fresh injection of dollars through an auction.

The BB's auction committee sold a total of $201 million, three bankers familiar with the development said, seeking anonymity.

A treasury official of a private bank said there was a gap between

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Fund doubled for marginalised groups, others

STAR BUSINESS REPORT

The Bangladesh Bank (BB) has doubled the size of its refinance scheme for marginalised groups, small businesses and students to Tk 1,500, aiming to help them improve their living conditions.

Under the scheme, banks can provide loans of up to Tk 10 lakh at an annual interest rate of no more than 7 percent, according to a BB circular issued yesterday.

The banks receive funds from the central bank at 1 percent interest.

The scheme covers a wide range of beneficiaries, including landless and marginal farmers, low-income professionals, small entrepreneurs, student banking account holders and families receiving remittances.

Apart from individual loans, banks can also provide group loans of up to Tk 40 lakh to groups of two to five people, the circular said.

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