

Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.

The National Board of Revenue (NBR) relaxes VAT waiver terms for Active Pharmaceutical Ingredient (API) industries

- The National Board of Revenue (NBR) has relaxed conditions for availing VAT waiver by the active pharmaceutical ingredient (API) industries. From now on, the API industries will be able to avail the VAT benefit on import of raw materials by adding 20% value on their imported products. Also, the requirement of producing five molecules with imported raw materials has been reduced to two. The NBR issued a Statutory Regulatory Order (SRO), dated January 6, 2019, by relaxing the conditions that were tagged by issuing another SRO last year.
- API is the main raw material for all drugs. Bangladesh aims to exploit opportunities of the World Trade Organization (WTO) policy and the Trade-Related Aspects of Intellectual Property (TRIPs) agreement on relaxation on patent rights rules. The facility will remain unconditionally valid until 2027 and with some conditions until 2032. On May 07, 2019, the NBR issued a SRO, waiving 15% VAT on import of API raw materials and reagents by tagging some conditions. The VAT waiver has been offered until December 2025, although the API policy offered it until 2032.
- Bangladesh has exported API above USD 5.0 million to Egypt, Pakistan, Nepal, and Vietnam from 2015 to 2018. Global market size of API is USD 200 billion, which is mostly grabbed by China and India. Due to the WTO policy, the two countries have lost their access to global market, creating a great opportunity for Bangladesh.

<https://today.thefinancialexpress.com.bd/last-page/nbr-relaxes-vat-waiver-terms-for-api-industries-1578506994>
<https://www.newagebd.net/article/96013/nbr-eases-conditions-for-vat-waiver-for-api-makers-raw-material-import>

Grameenphone's new run-in with Bangladesh Telecommunication Regulatory Commission (BTRC)

- Grameenphone has taken delivery of huge volumes of network equipment without obtaining the approval of the telecom regulator -- a move that has run into a grey area on the legal front. Subsequently, the telecom watchdog slapped the operator with a show cause notice last week.
- The BTRC gave Grameenphone seven days to reply to the show cause notice. Today is the last day for replying. Grameenphone has used a trick of the legal situation and released the equipment from the customs department, chairman of the Bangladesh Telecommunication Regulatory Commission (BTRC) said, adding that the country's leading mobile carrier did apply before the commission for the no-objection certificate (NoC), which the BTRC never gave.
- As per the available documents of the commission, Grameenphone has imported five lots of equipment between May and June last year after taking prior permission from the regulator. After the equipment arrived in Bangladesh, the BTRC's regulatory bar halted the import procedure, said a top official of the regulator. Meanwhile, the carrier on August 5 and August 27 applied before the commission and asked them to release their equipment considering customer service. Besides, the apparatus was imported before the bar was issued, it said.

<https://www.thedailystar.net/business/news/grameenphones-new-run-btrc-1851562>

Only six China-funded projects roll so far

- After a lapse of three years into signing a deal with China for executing USD 20 billion worth of 27 projects, only six has got going as of December 2019. Even Bangladesh has received only USD 904.50 million out of USD 5,687 million for the ongoing schemes. Officials from both sides blamed the slow processing of project proposals and a snail's pace in approving loan documents for this poor progress. A senior Economic Relations Division official said that there are delays from both sides. In some cases, Bangladeshi ministries failed to submit the documents in time and in some cases, the Chinese side has made a delay in processing the loan. The highest disbursement was USD 533.58 million against Padma rail link project for which China pledged USD 2,667 million.

<https://today.thefinancialexpress.com.bd/first-page/only-six-china-funded-projects-roll-so-far-1578506413>

Account opening in 5 minutes soon: electronic Know Your Customer (eKYC) guideline rolled out

- Customers can now open bank accounts in just five minutes, a procedure that previously took two to four days, after Bangladesh Financial Intelligence Unit (BFIU) yesterday rolled out the electronic Know Your Customer (e-KYC). The new system will cut the existing KYC-related cost by as much as 80%. All banks and financial institutions will have to implement the new system by this year. The agency has introduced two types of e-KYC: simplified and regular. Clients will open simplified e-KYC by submitting national identification cards. This will allow them to settle a limited transaction. The BFIU, the money laundering watchdog, piloted the e-KYC project in 52 places under 33 districts involving 19

banks, one non-bank financial institution and one mobile financial service provider. The World Bank provided technical assistance for the pilot.

<https://www.thedailystar.net/business/news/account-opening-5-minutes-soon-1851547>

<https://www.newagebd.net/article/96012/bfiu-issues-guidelines-on-e-kyc>

<https://www.dhakatribune.com/business/banks/2020/01/09/new-e-kyc-guideline-issued-for-speedy-account-opening>

84 Readymade Garment (RMG) units lose right to duty-free import of fabrics

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday cut the right of 84 garment factories to duty-free import of fabrics due to poor compliance and safety standards. The BGMEA suspended the units' Utilization Declaration (UD), which is a certification determining how much inputs and packaging materials will be used by a factory in manufacturing exportable products.

- There are another 35 factories which closed on failing to generate business, for which they need not face the suspension, she said. The BGMEA took the decisions on the 173 as per a January 5 recommendation of the Department of Inspection for Factories and Establishments (DIFE). Factories, which haven't been able to comply with the basic requirements even after six years of Rana Plaza tragedy, don't qualify to be reconsidered. Suspension of the UD is the first step, president of BGMEA told.

<https://www.thedailystar.net/business/news/84-rmg-units-lose-right-duty-free-import-fabrics-1851541>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$60.08	+0.47	+0.79%
Crude Oil (Brent)*	\$65.87	+0.43	+0.66%
Gold Spot*	\$1,558.65	+2.23	+0.14%
DSEX	4,228.37	-53.07	-1.24%
Dow Jones Industrial Average	28,745.09	+161.41	+0.56%
FTSE 100	7,574.93	+1.08	+0.01%
Nikkei 225	23,644.06	+439.30	+1.89%
BSE SENSEX	41,264.52	+446.78	+1.09%

Exchange Rates

USD 1 = BDT 84.86*

GBP 1 = BDT 111.23*

EUR 1 = BDT 94.34*

INR 1 = BDT 1.19*

*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.

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