

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.

Regulatory tangles squeeze telecom companies' investment

- Investment of three major private mobile phone operators of the country declined in nine months of 2019 as the regulator tightened its noose around them, restricting their expansion. Besides, inter-operator disagreement over tower sharing stood in the way of new investment.
- Mobile companies' latest data show that Robi's investment declined the most to BDT 8.5 billion in January-September in 2019 compared to BDT 15 billion in the same period of 2018. Grameenphone's investment declined to BDT 10.1 billion from BDT 12.9 billion while Banglalink witnessed a decline in investment to BDT 5.4 billion from BDT 7.1 billion in the same period. The three private mobile phone operators invested BDT 52.69 billion for 4G spectrum and BDT 44.51 billion for 3G spectrum. Industry people look forward to an increased investment for the upcoming 5G technology.
- According to mobile company insiders, major chunk of the investment of mobile operators goes to network expansion and building towers to improve coverage and service quality. Besides, upgradation and maintenance of the towers also require additional investments. Last year, investment in the sectors came to a halt due to two key reasons — disagreement among the operators over price of tower sharing and suspension of all NOCs in the wake of disputes over audit claim by the Bangladesh Telecommunication Regulatory Commission.

<https://www.dhakatribune.com/business/2020/01/16/regulatory-tangles-squeeze-telcos-investment>

Telenor hopes to settle GP audit claim without international arbitration

- Now that the February 23 deadline for the court directive to pay BDT 20 billion audit dues to the telecom regulator looms, Telenor Group, the parent company of Grameenphone, hopes that the ongoing audit dispute can be settled without resorting to international arbitration. Telenor Asia, however, in October last year sent a notice to the President seeking arbitration for the audit dispute after the Bangladesh Telecommunication Regulatory Commission demanded BDT 125.79 billion following an audit in the company in 2016.
- In response to a query, the Telenor last Thursday said the group never sent legal notice to the President of Bangladesh, rather sent an invitation for arbitration as per a bilateral investment treaty (BIT) signed by the government of Singapore and the government of Bangladesh. The notice served by Telenor to Bangladesh was based on a bilateral investment treaty (BIT) signed between the Bangladesh and Singapore countries in 2004 for the promotion and protection of investments. As Telenor Asia, which is the primary investor of GP and based in Singapore, it was able to send a notice under a BIT.
- A Supreme Court lawyer said that Telenor mentioned a BIT when it served the notice. But the fact is, it is not a party or signatory to the BIT. If the Singapore government would send the notice, it would have been valid. Telenor's notice has no merit as far as the BIT is concerned.

<https://www.dhakatribune.com/business/2020/01/16/telenor-hopes-to-settle-gp-audit-claim-without-int-l-arbitration>

Bangladesh Telecommunication Regulatory Commission (BTRC) mulls appointing administrators in GP

- Bangladesh Telecommunication Regulatory Commission (BTRC) Wednesday said it decided to start a process to appoint competent administrators to Grameenphone after February 24 unless the mobile phone operator pays its outstanding dues of BDT 125.79 billion within the deadline. BTRC Chairman said that BTRC by now secured a required government approval to appoint the administrators for the leading operator.
- BTRC's chairman's comments came a day after another defaulting operator Robi paid the first installment its outstanding dues in line with Supreme Court's apex Appellate Division directives, visibly singling out GP to keep alive its row with BTRC and the government.
- GP and Robi, the second largest cell phone operator, were engaged in a virtual scuffle with BTRC over financial and technical audit to the operators' book since their inception up to 2015. The regulator demanded them to pay BDT 134.46 billion as outstanding dues in line with the audit findings when both the operators challenged BTRC in court.
- The Appellate Division on November 24 directed GP to pay BDT 20.00 billion to BTRC within three months out of audit demand of Taka 125.79 billion. The apex court at that time also ruled that unless the GP paid the amount, BTRC could go on with its procedures in taking punitive actions against the operator.

<https://today.thefinancialexpress.com.bd/trade-market/btrc-mulls-appointing-administrators-in-gp-1579112904>

<https://www.newagebd.net/article/96671/gp-should-follow-robi-clear-audit-claim-of-regulator-minister>

Portfolio investors not blamed for poor turnover: Brokers, Merchant Bankers

- The merchant bankers and stock brokers on Wednesday said withdrawal of funds by foreign portfolio investors is not responsible for the poor turnover of the bourses. The transaction volumes in foreign accounts has not declined to an alarming extent as discussed in recent period, a merchant banker said. According to DSE information, at the end of 2019 the net foreign portfolio investments stood at negative BDT 4.88 billion from negative BDT 5.93 billion calculated in 2018.
- The stock broker and merchant bankers also told the BSEC that the implementation of the government decision of using 'surplus funds' preserved by different government companies will cast a negative impact on the listed entities. They urged the Bangladesh Securities and Exchange Commission (BSEC) to convince the government so that the reserves of listed State owned Enterprises (SoEs) are not deposited into the government exchequer.

<https://today.thefinancialexpress.com.bd/stock-corporate/portfolio-investors-not-blamed-for-poor-turnover-1579110673>

More tax facilities for private power plants

- The government has extended more tax facility to private power plants with the view to making their energy cheaper to purchase. The National Board of Revenue relaxed the condition of tax holiday for the private sector power generation companies except coal-based power plant last week.
- According to gazette notification, under the existing policy the power plants would have to go for generation within December 2019. But, the revised notification extended the condition for start of commercial generation to December 2022. Under the rules, the private power generation companies will get five types of tax facilities, including tax holiday on their income from power until December 2034. The foreign employees who work in the power plant will get a three-year tax holiday. Besides, the company will get tax waiver on interest of foreign loan, royalty, technical know-how and technical assistance fee.
- The total power generation capacity of 137 public-private power plants is 19,000 megawatt (MW). Of them, 80 private power plants have generation capacity of 9,000 MW, according to power division official. Another 28 private power plant are under contraction and 12 plant are waiting for approval stage. Besides, 18 public sector power plants are under construction, whose generation capacity is 8,900 MW.

<https://www.thedailystar.net/business/news/more-tax-facilities-private-power-plants-1854730>

Accord to finally pack bags in May

- The Accord on Fire and Building Safety in Bangladesh, the platform of more than 190 mostly Europe-based retailers formed after the Rana Plaza building collapse, is finally leaving the country this May. Originally scheduled to leave at the end of its five-year tenure in May 2018, the platform wanted to stay on for three more years, which the government was opposed to. Accord took the matter to court and managed to win an extension until February 13, 2020. But it will depart for good in May.
- A national collaborative committee with representation of brands, unions and industry leaders will take over Accord's monitoring duties, according to the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). The Accord and BGMEA came to a mutual understanding in September last year to form the RMG Sustainability Council (RSC) to continue the remediation and monitoring of the factories. The RSC is a tripartite compliance and safety monitoring body of the apparel sector, formally formed by brands, union leaders and factory owners.

<https://www.thedailystar.net/business/news/accord-finally-pack-bags-may-1854739>

<https://www.newagebd.net/article/96670/bgmea-accord-sign-deal-on-transition-to-rsc>

<https://today.thefinancialexpress.com.bd/first-page/accord-passes-onus-to-new-platform-rsc-1579111194>

Surge in zero-tax filers: National Board of Revenue (NBR) mulls mandatory token payment

- The submission of zero income tax returns by both individuals and companies has risen significantly in the current fiscal year. This has raised concern among tax officials who sense the concealment of actual income by the taxpayers. The income tax wing of the National Board of Revenue, or NBR, has initiated a move to compile the data of return filers whose income is nil.
- Individual taxpayers with income below the taxable limit of BDT 250,000 do not need to submit tax returns. However, the income tax law made the submission of tax returns mandatory for some categories of taxpayers, including having a motor car, club membership, government employees with BDT 16,000 monthly basic salary, etc. There are no such

exemption ceilings for corporate taxpayers. They can submit nil return or show loss and claim tax refund.

- The NBR has received 2.2 million tax returns in the FY 2019-20. In contrast, the number of people holding Taxpayers' Identification Number, or TIN, is 4.7 million. Currently, the NBR has no data base of how many taxpayers file nil returns or in other slabs ranging from 10% to 30%.

<https://today.thefinancialexpress.com.bd/last-page/surge-in-zero-tax-filers-1579111554>
<https://www.newagebd.net/article/96669/nbr-planning-to-review-nil-tax-returns-provision>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$58.21	+0.40	+0.69%
Crude Oil (Brent)*	\$64.44	+0.44	+0.69%
Gold Spot*	\$1,556.27	+0.02	+0.01%
DSEX	4,068.20	+31.97	+0.79%
Dow Jones Industrial Average	29,030.22	+90.55	+0.31%
FTSE 100	7,642.80	+20.45	+0.27%
Nikkei 225	23,950.90	+34.32	+0.14%
BSE SENSEX	41,924.74	+52.01	+0.12%

Exchange Rates

USD 1 = BDT 84.69*
 GBP 1 = BDT 110.53*
 EUR 1 = BDT 94.48*
 INR 1 = BDT 1.20*

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

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