

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.

National Board of Revenue (NBR) revenue falls 24% short of July-Oct target

- The first four months of the current fiscal year saw a tax revenue shortfall of around BDT 202.20 billion against the target. However, the volume of tax revenue collection registered a poor 4.33% growth, compared to the same period of the last fiscal. The National Board of Revenue (NBR) collected BDT 650.96 billion in taxes in July-October period of fiscal year (FY) 2019-20 against its target of BDT 853.17 billion, according to NBR provisional data. The NBR had collected BDT 623.93 billion tax revenue during the same period of last fiscal.
- The income tax wing posted the highest growth of 12.90% while VAT wing 1.79% and the customs wing 0.09% over the corresponding period of last fiscal. But all of the three wings missed their targets for the July-October period of the current FY.
- Such a significant shortfall in tax revenue collection has led to the escalation of the government's bank borrowing to meet its budget deficit. According to Bangladesh Bank data, the government's net borrowing stood at BDT 426.07 billion as of November 21 of the FY 2019-20, meeting around 90% of the bank borrowing target for this fiscal.

<https://today.thefinancialexpress.com.bd/first-page/nbr-revenue-falls-24pc-short-of-july-oct-target-1575482488>
<https://www.thedailystar.net/business/news/sluggish-revenue-worsen-credit-crunch-1835941>
<http://www.newagebd.net/article/92692/tax-receipts-BDT-20221cr-short-of-target-in-july-october>

GP pays BDT 1 billion as 'unpaid VAT'

- Leading mobile phone operator Grameenphone has deposited BDT 1 billion to the national exchequer as 'unpaid Value Added Tax (VAT)' after a long dispute with the National Board of Revenue. GP deposited in the last week this portion of money of the 'unpaid VAT' of a total amount of around BDT 7 billion unearthed through a 'special audit' of NBR, said officials. Talking to BSS, a senior official of the Large Taxpayer Unit (LTU) said GP did not deposit the VAT amount during their payment to different organizations against receiving services. Now, a portion of the total unpaid VAT amount was deposited by GP after the audit claim, he added.
- The official, however, said GP raised a few observations regarding the audit although they deposited BDT 1 billion as 'unpaid VAT'. Meanwhile, NBR has formed a committee led by an additional commissioner of LTU to scrutinize the GP's observations. The committee would revise the audit report if any accuracy of the GP's observations is found, he added. Replying to a query, the official said, they hope GP would pay the remaining 'unpaid VAT' amounting to BDT 6 billion within the shortest possible of time. NBR officials said as per the VAT Act any organization has to pay 15% VAT during making payment against receiving any service, but GP did not pay any VAT for four years since 2015.

<http://www.newagebd.net/article/92697/gp-pays-BDT-100cr-as-unpaid-vat>

Nagad keen on Mobile Financial Service (MFS) interoperability without taking Bangladesh Bank's (BB) license

- Mobile financial service operator Nagad wants to be connected with the interoperability service, expected to be launched by the Bangladesh Bank in January, without taking a license from the central bank. On different occasions, the entity has expressed interest to be part of the service but denied coming under the central bank's regulatory framework designed for the MFS operators. Nagad, a joint venture company of Bangladesh Post Office and Third Wave Technologies Limited, formally launched its service in March this year after several months of test-run across the country.
- The interoperability service designed for the MFS operators would facilitate subscribers of any MFS operator transferring money to the subscribers of other MFS operators in real time. Besides, MFS accountholders would be able to send money to any bank account as well. Similarly, MFS accountholders would also get scope for receiving money from bank accounts also. As Nagad has been running its services for more than a year under the Bangladesh Postal Act and it has denied becoming a licensee of the BB, the central bank has planned to launch the interoperability service, leaving the MFS operator.
- Nagad operates under the Post Office Act and it's not an illegal entity. That's why there is no logic behind launching of interoperability service excluding Nagad, posts and telecommunications minister said. Asked whether the BB would consider Nagad for its interoperability service as it was not providing service illegally, BB general manager (payment systems department) said, Nagad is not a BB's licensee and none would be incorporated in the service unless it has a licence from the BB. However, Nagad is very much welcome from our end, he said, adding, If they (Nagad) can address our concerns, there will be no objection in accommodating Nagad in interoperability service. The operator should approach the BB if they want to come under the service and then the decision would be made by the highest

authority, he said.

<http://www.newagebd.net/article/92694/nagad-keen-on-mfs-interoperability-without-taking-bbs-licence>

Government likely to cut foreign aid allotment in Revised Annual Development Programme (RADP)

- The government is likely to slash foreign aid allocation in the upcoming revised development budget, as many ministries and divisions have sought lower funds, officials said on Wednesday. The Economic Relations Division (ERD) is now consulting with the government agencies to determine their actual fund demand for the remaining period of the current fiscal year (FY), 2019-20. The government in FY 20 has allocated BDT 718 billion funds as project aid (foreign aid) in the original BDT 2.027-trillion ADP. Since some ministries are seeking lesser funds than their allocations, the overall size of project aid in the revised ADP (RADP) could be slashed, an ERD official added.
- According to the official data, the ministries and agencies have spent BDT 76.37 billion, 10.64% of the BDT 718-billion project aid outlay, in the first four months (July-October) of the current ADP. The rate of project aid spending was 14% higher than the same period in FY 19.

<https://today.thefinancialexpress.com.bd/first-page/govt-likely-to-cut-foreign-aid-allotment-in-radp-1575482763>

Brokers seek BDT 100 billion government funds

- Stock brokers have submitted a work-plan for investment of BDT 100 billion funds, sought earlier from the government, to support the country's ailing capital market. They submitted the work-plan to the ministry of finance (MoF) on Wednesday, as the ministry demanded a plan following their plea of fund support for the capital market. They sought the fund at a flat interest rate of 3.0%.
- The brokers will invest the fund in shares of the listed companies, which have the record of disbursing at least 10% cash dividend, said the CEO of a brokerage firm. Besides, the listed companies having a growth record for at least three years, out of last five years, will be chosen for investing the fund. The listed companies should also have at least 10% return on equity (ROE), he added. According to the work-plan, the stock brokers will invest the BDT 100 billion fund in shares of the listed companies having a market capitalization of at least BDT 5.0 billion.
- It said the first year will be the moratorium period, while only the interest will be paid in the second year. The government's loan will be repaid in last four years. The stock brokers also made the proposal of disbursing the loan by keeping their portfolios as collateral.

<https://today.thefinancialexpress.com.bd/first-page/brokers-seek-BDT-100b-govt-funds-1575482701>

Insurance mandatory for expats from Dec 19

- The government is going to enforce mandatory insurance coverage for Bangladeshis working abroad from December 19 this year, officials have said. To this effect, expatriates' welfare and overseas employment ministry has recently issued a gazette. The workers will be offered two insurance products to choose from. Both policies will be for a two-year term. However, the tenure could be extended if the job contract is extended. A senior official said the ministry has introduced insurance for the protection of migrant workers with benefits in cases of their death or disability.
- Jibon Bima Corporation (JBC) is covering insurances under a pilot project being supervised by Wage Earners' Welfare Board (WEWB). The Policy One will be of BDT 200,000 with a premium of BDT 990 and the Policy Two of BDT 500,000 with a premium of BDT 2,475. The premium will be paid as a single instalment for the entire two-year term. But the workers will bear BDT 490 for policy one and BDT 1,975 for policy two. WEWB will subsidize each premium by BDT 500 from its fund. However, each outbound worker pays BDT 3,500 as emigration clearance fee that contributes to WEWB. The existing fee remains unchanged.
- The Insurance Development and Regulatory Authority drafted the policy with a provision that a nominee will get 100% benefit in case of a policyholder's death during coverage period. In case of accidental disability, a worker will get an amount between 10% and 100% depending on the degree of injuries.

<https://today.thefinancialexpress.com.bd/last-page/ins-mandatory-for-expats-from-dec-19-1575482952>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$58.21	-0.22	-0.38%
Crude Oil (Brent)*	\$62.95	-0.05	-0.08%
Gold Spot*	\$1,476.18	+1.59	+0.11%
DSEX	4,702.98	+5.63	+0.12%
Dow Jones Industrial Average	27,649.78	+146.97	+0.53%
FTSE 100	7,188.50	+29.74	+0.42%
Nikkei 225	23,294.99	+159.76	+0.69%
BSE SENSEX	40,988.14	+137.85	+137.85

Exchange Rates**USD 1 = BDT 84.82*****GBP 1 = BDT 109.79*****EUR 1 = BDT 93.03*****INR 1 = BDT 1.19***

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

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