

Editorial

SMEs need business friendly tax policy

Budget discussion was robust throughout the month of June until it was approved in the Parliament on June 30, 2016 with some changes as proposed by the Finance Minister to the original one that was placed before the House for fiscal 2016-17 on June 2 last. In the Parliament there is a working committee which has no representative from the business community. Therefore, the concerns of business community go unanswered and remain out of the basket. This was one of the findings of the Budget Dialogue on SME and Women Entrepreneurship Development of BUILD held on June 25, 2016.

The Dialogue also found that the private sector is keen to learn if there is any clear strategy followed by the government to support some transformational sectors such as; light engineering, ICT, farm Machineries which are labour intensive with all potentials to be flourished. The private sector also looks forward to the strategies government will chart out to see full implementation of the Budget.

We see this Budget is a bit sporadic and inconsistent because, when policies of one sector are changed, others remain unchanged. One of the examples is that tax at source for the RMG sector was increased from 0.6% to 1.5%, while in the face of huge out-cry, it has been reduced to 0.7% now, however jute exporters will continue to engage 0.60% tax at source on their export income until June 30, 2019. For the RMG exporters there is no mention of a fixed date, it means that next year they may face any sort of changes again. Investment is a long term decision, changes in each and every year may hamper decision making procedures of the entrepreneurs that require attention of the Government.

Another big change is in the investment ceiling for tax rebates for the individual taxpayers is cut to 25% from the current limit of 30%, in the proposed budget, it was 20%. However, tax rebate will remain unchanged at 10%, 12% and 15% as per incomes of the taxpayers, meaning people incoming a bit large amounts will be discouraged in savings.

For the first time there is a change for the multinational companies, they will have to maintain and submit their accounts based on the accounts maintained by their parent companies. BUILD Budget Dialogue suggests ways for making budgetary policies supportive for the SMEs. An SME Policy Strategy has already been prepared by the Ministry of Industries, a clear implementation of the policy along with the responsibilities of the concerned organizations will help implement the strategy. The Dialogue also underscored the need for an SME Act and a strong Platform for establishing SME Network. BUILD's SME Development Working Committee is one of the options which delved details in the Dialogue.

All these policies will help SMEs to sustain but a well coordinated and consistent tax policy is required for SME Development.

Ferdaus Ara Begum
CEO, BUILD

BUILD Trustee Board elects new Chairman



Syed Nasim Manzur (3rd from left) is greeted by outgoing Chairman Asif Ibrahim (3rd from right) for being elected Chairman of the Trustee Board of BUILD in presence of other Board Members.

Syed Nasim Manzur, President of Metropolitan Chamber of Commerce and Industry and Managing Director of Apex Footwear Ltd., has been elected as the Chairman of the Trustee Board of Business Initiative Leading Development (BUILD) for the year 2016 and 2017 in the 9th Trustee Board Meeting held in its Board Room on June 21, 2016. Syed Nasim Manzur sits on the board of Pioneer Insurance, Guardian Life Insurance, International Publications and Apex Tannery Ltd.

The Board also decided that the Founder Chairman Asif Ibrahim, will remain in an advisory capacity as a Trustee Board member.

Humayun Rashid, Senior Vice President and A.H.M. Rezaul Kabir ndc. Secretary General of DCCI and Farooq Ahmed, Secretary General of MCCI attended the meeting of the board in the boardroom of BUILD. BUILD CEO Ferdaus Ara Begum enlightened the Board about the progress of 8th Board Meeting. The meeting sits three months apart to discuss the operational activities of the organization.

The outgoing Chairman Asif Ibrahim was appreciated at the meeting for his non-stop and sincere support and guidance provided since the inception of BUILD. The Board of Trustees, constituted in the Deed of Trust in 2013, is responsible for the policy direction that the organization takes from time to time. The Board is vested with the authority and responsibility to exercise control over all the activities conducted by BUILD.

While congratulating the new Chairman, the Trustee Board Adviser Asif Ibrahim said that, I am absolutely confident that the new Chairman of BUILD will lead BUILD towards a new horizon.

BUILD Chairman Syed Nasim Manzur said that, we keep our eyes out to see BUILD as a self sustaining organization to extend all policy related research support for the private sector development in Bangladesh and continue its support to PSDPCC at PMO including all donors.

The Trustee of BUILD undertook assessment to measures towards progress and set out goals for the years coming ahead. The meeting also discussed to allocate resources in ways that ensure equity of opportunity and demonstrate accountability for the organization. The meeting ended with a vow to invigorate BUILD's activities towards unlocking business and investment constraints and to support private sector development.

BUILD holds Dialogue on Budget

Thrust on frequent private-public sector interactions



Dr. M. Mashrur Reaz (L1), Program Manager, WBG, Asif Ibrahim (Middle), Adviser of BUILD Trustee Board, Ali Sabet (R1), Team Leader of Bangladesh INSPIRED are seen at the Dialogue.

Speakers at a dialogue on the proposed national budget for the upcoming fiscal year 2016-17 emphasised frequent discussions among the public and private sectors for bridging implementation gaps of the announced budget.

The thrust was made at the dialogue organised by BUILD, Bangladesh INSPIRED and DCCI to take a stock to the policies announced in the budget and how SMEs can be benefited from the announced policies. Two keynote papers on SME and Women Entrepreneurship Development and Technology access for Women Entrepreneurs were presented by Ferdaus Ara Begum, CEO BUILD and Luna Shamsuddoha, Director, SMEF to highlight the SME development policies their constraints and implementation barriers.

The presentation from BUILD highlighted important features of recently announced budget along with policies and challenges to meeting the targets of industrial developments and investment attraction with some specific examples of SME sectors, such as ICT, Light engineering etc. for which some policy changes were declared but due to stringent and complex implementation patterns benefits may not be availed by the SMEs.

The presentation made by Luna Shamsuddoha referred the gender budget prepared by Ministry of industries, but women are not in the mainstream because of some clarity. She referred mobile technology, cloud computing and analytics could be some of the key drivers help leading innovation. Taking cue from Asif Ibrahim, she suggested that social media can be a platform for SMEs for women entrepreneurs.

Dr. Abdul Mazid, former Chairman, NBR as a panelist suggested for result oriented and protection oriented policy for SME development. Customs, NBR Member Farid Uddin, appreciating and agreeing all the proposals of BUILD, mentioned that all related budget proposals for reforms from the business communities should be coming through the concern ministries, but presently they are getting proposals directly.

Dr. M. Mashrur Reaz, Program Manager, The World Bank Group, said Budget is important but it has got some limitation, unless other comparable policies are synchronized, budget cannot do anything. In this connection he referred the 103 years old Companies Act for which they were working since long but it was not updated.

In regard to "lagged implementation" he expressed his genuine concern about VAT and SD Act implementation, for which a \$60 million automation project is in the process which will be meaningless if the new VAT and SD Act is not in full operation. BUILD will send all the proposals emerged out of the discussion to NBR for inclusion in the national budget to be officially passed soon.

BUILD Research underscored important

business reforms at its 5th T&I Working Committee



The 5th Trade and Investment (T&I) Working Committee Meeting of BUILD at the MCCI Conference Room on May 3, 2016.

BUILD presented five policy papers at its 5th T&I Working Committee Meeting held at the conference room of Metropolitan Chamber of Commerce and Industry (MCCI). Though the government had earlier hiked the Trade License fees by an average rate of 263% in March 2015, it had to reduce the fees again in January 31 this year in the wake of huge protests by the business and trade leaders and organisations.

"Despite the cut in fees, 66.78% trade licence fees still remain unchanged as some of the fees for licences have been increased due to the new imposition of 15% Value Added Tax on fees and surcharges," said BUILD CEO Ferdaus Ara Begum. She also said: "All these policies will increase the cost of doing business."

During the meeting, BUILD CEO Ferdaus Ara Begum presented several time-bound policy papers on simplification of export documentation for bringing simplicity in doing business, simplification of policies for service export - a case of indenting service, export subsidy guidelines: maximising export support, non-tax revenue (NTR), trade and business license fees and simplification of policies for diversified jute products.

During her presentation, Ferdaus Ara Begum underscored the need for setting up a high-powered inter-ministerial committee involving all agencies supporting exports for reducing export documentation requirements. She also suggested that the country requires a comprehensive Export Subsidy Guideline that should be prepared and circulated along with all qualifying criterion of exporters, its lengths, and rates.

BUILD has also suggested for simplification of the certification process to catch up huge demand of jute goods in the developed countries, establishing a service export promotion council soon under the leadership of commerce ministry.

During the meeting, Senior Secretary of Commerce Ministry Hedayetullah Al Mamoon also stressed the need for the simplification of business policies for substantial growth of business sector. The MCCI Vice President Akter Matin Chowdhury said that policies should be improved further to advance our business growth and BUILD should continue its efforts in simplifying business policies.

Afroza Khanom, CCI&E Chief, Md. Khairul Anam, Executive Member of BOI, Farooq Ahmed, Secretary General of MCCI, DCCI Secretary General AHM Rezaul Kabir, Md. Hafizur Rahman, Director of WTO, Abdus Sattar Sheikh, Deputy Secretary of MOC, Md. Saiful Islam, President, LFMEAB, M.S. Siddiqui, President of BIAA, Md Sirajul Karim, First Secretary (Tax) of NBR, Md. Abdul Awal Sarker, GM of BB, Mohammad Hatem, former First Vice President of BKMEA, Nurun Nahar Sultana and DGM of BB were present among others and spoke on the occasion.

BUILD's initial comment: Bangladesh –UK Trade likely to have mixed impact for BREXIT

Bangladesh–UK Trade Relation is now open to many questions over the results of the UK referendum on EU membership. Bangladesh has maintained a long trade and business relationship with the UK and been enjoying duty-free quota market access which is now one of the countries likely to face in the aftermath effects. BUILD as a PPD Platform thinks that BREXIT may have a mixed impact on Bangladesh markets. BREXIT has posed some challenges to our economy, but our economy will not be affected as it sounds for, our reserve holds less than 4% exposure of the GBP.

The EU is the single market of export where 50% of total products are exported, which is roughly USD 18 billion, to the UK it is about USD 3.2 billion, enjoying 100% duty quota free access under EBA. Not only that, Bangladesh is currently enjoying a significant investment from the UK. Fair to mention, Bangladesh experienced USD 58.16 million investment in 2014-2015. Currently, BUILD appreciates the initiative for forming a committee under the chairmanship of the Bangladesh Tariff Commission in a bid to fix the next course of action in the wake of Britain's exit from the European Union. BUILD echoes apprehension of the economists and analysts of the country and requests the Government to consider quick actions to skip probable negative impact of UK's exit from the EU.

We think our business should not worry in the short term about this sort of meltdown being observed in Britain because the Asian approach is more pragmatic with no plans for a common currency. The only fear is that the relatively slow progress towards growth enhancing integration in particularly in Bangladesh will be set back by nervousness about what is happening to the EU model. Indonesia and Malaysia are ones of some countries at risk because of their dependence on external financing. The relation between the UK and EU is 43 years old. It is known that the whole process of formalization of EU passed through a stringent policy framework and it was a bit lengthy. For exclusion from the EU, the UK will require a rigorous process of change of its national and regional policies. So, we think UK's exit from the EU is not an easy job as it seems.

The issue emerged from the immigration policy of the EU allows immigrants to walk over from one to another EU country, UK is one of the preferred areas for the immigrant because of a number of facilities such as health, education and unemployment benefit etc. is available in the UK.

There are some apprehensions that Bangladesh may lose the GSP facilities, as an LDC and WTO signatory countries, it is presumed, once the preferential benefits are extended by a developed country cannot be derogated, in that context Bangladesh should be cautious facing the future challenges.

On the other hand, Bangladesh's export demand is inelastic and it is observed our export went unharmed despite some global shocks. It might have happened that Bangladesh may continue export to the UK as it is going on presently. The UK may face inflationary pressure causing price scaling up, while Bangladesh needs full preparation to face the future challenges.

In view of the present situation, one of the primary tasks of the country should engage close vigilance from both public and private sectors who will be monitoring the impacts of post BREXIT situation and setting out ways out for skipping probable negative impact of UK's exit from the EU.

BUILD joined Dialogue for Climate Action in Austria



BUILD CEO Ferdaus Ara Begum speaks at the dialogue in Vienna, Austria in presence of other speakers.

The World Bank Group's Dialogue for Climate Action event took place on May 23-24, 2016 in Vienna, Austria. The dialogue brings together CEOs, industry leaders, policy makers, bankers, civil society and media to discuss the role of the private sector in developing actions in response to climate change. BUILD CEO Ferdaus Ara Begum spoke at the dialogue as one of the panelists.

Ferdaus Ara Begum emphasized the need for a structured and innovative Dialogue involving more private sector for addressing the climate change issues to deal it appropriately. Bangladesh has already committed for INDC without external help at 5% and 15% with external help, for this issues it needs to work hard and Bangladesh Climate Change Adoption Policy would need to be revised.

She said that private sector is not closely involved in the climate dialogue and they are more interested in engaging themselves in mitigation issues while government is giving more thrust on adaptation issues. More and more research for innovation is a must to explore more business opportunities in addressing green growth and responsible business entrepreneurship development. She informed that BUILD is going to launch a new working committee as a platform for public private dialogue to engage private sector appropriately in the dialogue process and advocate private sector issues with the government.

For a structured Dialogue for Climate Action, a set of voluntary principles for catalyzing Climate Action was discussed. The principles include inclusion, urgency, awareness, efficiency, transparency and accountability. The principles were proposed for inclusion in the agenda of COP 22 to be held in Marrakesh, Marrakech, Morocco on 7-18 November 2016.

BUILD's observation on 2016-17 budget

BUILD in its initial reaction highlighted some important features of the Budget terming it as usual incremental with some positive stand of increasing electricity, highest budget for transport and electricity, initiation of some mega transformational project, additional support for women participation in the economy, delay in implementing new VAT Act from July 2017 including package VAT as per the request of the private sector, reduction of ADR resolution timeframe etc.

It is quite pleasing to see that the Government has responded some of our requests and we thank the Government to answer our concern in 2016-17 Budget which is a breath of fresh air for the SMEs.

Since last few years, private sector investment has not hit our expectations and not bred investments. For, many private industrial companies saw headwinds in making their investment projects operational

due to unavailability of basic utility connections such as gas, water and electricity. As well as the infrastructure, the cloud of uncertainty in the business environment has been quite heavy that could not help the private sector grow expectedly.

The legal transition of VAT and SD Act is a bit delayed, a long list of activities has been articulated in the Budget Speech but, the private sector is still afraid about its implication without preparation. Automation was one of the main features for streamlining the tax administration and tax collection process, but the commitment was not fulfilled. Direct Tax code was one of the earlier commitments but not implemented yet.

Meeting with Ministry of Environment for 5th WC of BUILD



Over the meeting, Environment Secretary to the Ministry of Environment and Forest receives Business Start-up Licenses: A Regulatory Guide from BUILD CEO Ferdaus Ara Begum.

BUILD CEO Ferdaus Ara Begum met Dr. Kamal Uddin Ahmed, Secretary for Ministry of Environment and Forests, GOB to discuss the formation of a working group for sustainable growth and development in association with UNDP Bangladesh and BGMEA on June 15, 2016. The 5th Working Committee on Sustainable Business for Growth and Development is expected to be co-chaired by Dr. Kamal Uddin Ahmed, Secretary of MOEF and BGMEA President for responsible business and safer production. The meeting was equipped by AHM Rezaul Kabir, Secretary General of Dhaka Chamber of Commerce and Industry and other officials of BUILD. UNDP officials joined BUILD Team later.

Dr Kamal Uddin Ahmed, Secretary of MOEF extolled the initiative of BUILD and UNDP and told that we need to have a greater coordination and an effective approach to address its increasing environmental compliance needs more importantly respond to the environmental degradation and we need to enforce the industries to save the environment first. If the private sectors work continue without maintaining regulation of the government, establishing industries haphazardously, our pressure will be their to stop mushrooming industries in the farm lands. He expressed his willingness to work closely with the private sector but they have workforce constraints and thus need proper endorsement from the concerned authorities.

Budget Dialogue of CPD

BUILD CEO attended a CPD Dialogue on budget on June 19 at a hotel in Dhaka. While introducing engagement of BUILD in policy research, she underscored the need for preparing a graduation strategy for Bangladesh aligning with the vision 2021 relevant SDG goals. With food security issues she also emphasized on the need for Food safety which is very important at this stage of the country now. Hon'ble Planning Minister was present as the chief guest while Dr. Syeduzzaman, former Secretary, MOF chaired the session. Dr Mustafizur Rahman from CPD presented the keynote paper.

Call for Policy on Chemical use in Industries



BUILD CEO Ferdaus Ara Begum moderates at the seminar in presence of other speakers.

Experts and stakeholders laid emphasis on introducing a policy to control the use of chemicals in Bangladesh's manufacturing sector and keep the environment safe. They were addressing a seminar on "Restriction and Controlled Use of Hazardous and Toxic Substances for Industries in Bangladesh," organised by the Business Initiative Leading Development (BUILD). Different stakeholders both from public and private sectors attended the program aimed at creating awareness about safer alternatives of hazardous chemicals in industries.

The concerns were expressed on the toxic substances, used particularly in textile, footwear and leather industries, are taking toll on the environment and public health. Presenting the keynote paper, BUILD Research Associate Md Nuruzzaman said 9+2 chemical group includes 166+ substances that are affecting the global environment and ecosystem through non-soluble micro-pollutant abstracts. These hazardous substances, he said, are used in Bangladesh's textile and leather factories randomly and the non-soluble discharge of these substances is causing some chronic diseases.

"But the chemicals are banned or restricted in the European Union and North America since 1970s. Some other countries are about to take measures to ban or limit the use of these hazardous substances," said Nuruzzaman.

Ferdaus Ara Begum offered a set of proposals including increasing import duties on some hazardous chemicals as they have environment-friendly alternatives. She stressed specification of some HS codes as some hazardous chemicals are now imported under a single HS code. Assistant Inspector at the Department of Explosives, Monira Yesmin asked for necessary rules in regard to the use of toxic and corrosive chemicals, which can be eventually included in import policy. Addressing the seminar, Dhaka Chamber of Commerce and Industry Secretary General AHM Rezaul Kabir said the findings related to harmful effects of chemicals are only the tip of the iceberg as the "real problem is much bigger."

"Of the substances found in food, heavy metals like chromium, arsenic and lead can cause cancer and other chronic diseases," BUET Professor said. "To help the nation, we should enforce related laws and the government should immediately form a Certificate Authority to restrict and control these human killing substances," said speakers.

Joint Secretary of MOI Yasmin Sultana said the government is "very proactive" to help the private sector regarding environmental concerns and work hand in hand with them. Stakeholders from leading trade bodies, GIZ, BUET, LFMEAB, BKMEA, H&M, C&A and chemical and environment specialists, among others, also spoke.

Partner's Corner



MCCI Holds discussion on Budget 2016-2017



Metropolitan Chamber of Commerce and Industry jointly with Policy Research Institute (PRI), organized a discussion on Budget 2016-2017: Views of the Business Community on 19 June 2016 at Westin Dhaka. M. A. Mannan, M.P., the Minister of State, Ministry of Finance and the Ministry of Planning attended the program as the chief guest while Dr. Muhammad Abdur Razzaque, MP, Chairman, Parliamentary Standing Committee on Ministry of Finance attended the program as special guest.

"We think that this budget was an opportunity to add new impetus to the investment climate of Bangladesh. Unfortunately, we have not found that," said MCCI President Syed Nasim Manzur.

Mohammed Farashuddin, former Governor of Bangladesh Bank, said the scope for investment rebate for taxpayers should not have been reduced when the government is seeking to boost investment. MA Mannan, State Minister for Finance and Planning, said the government backtracked from its decision to implement the new VAT and SD law from July this year amid opposition from the businessmen.

Seminar on opportunities of e-commerce for small traders and wholesalers



Dhaka Chamber of Commerce & Industry (DCCI) organized a seminar on "opportunities of e-commerce for small traders and wholesalers" at DCCI auditorium on 5th June, 2016. State Minister for ICT Division, Government of Bangladesh Zunaid Ahmed Palak, MP was present as chief guest while DCCI President Hossain Khaled chaired the programme. DCCI President Hossain Khaled said that from the ICT sector about US\$ 5 billion could be earned from export by the year 2021. He also said that in Bangladesh, concept of e-commerce came in 2010 and till this year a market of Tk. 200 crore has been created.

State Minister for ICT Division Zunaid Ahmed Palak, MP said that in the last 7 years export from ICT sector stood US\$400 million from only US\$26 million. He said government is planning to formulate a comprehensive world standard e-commerce policy to re-shape the traditional e-commerce system.

Convenor of DCCI ICT standing committee Syed Almas Kabir presented the keynote paper. He said due to communication hurdle businesses of old Dhaka could not attract new customers.

President of BASIS Shameem Ahsan, DCCI's Senior Vice President Humayun Rashid, Vice President Kh. Atique-e-Rabbani, former President MA Momen, former Senior Vice President Alhaj Abdus Salam, former Vice President Absar Karim Chowdhury, Convenor Shahjada A. Hamid and Secretary General AHM Rezaul Kabir were also present and spoke on the occasion.

CCCI's Meeting with Sri Lankan High Commissioner



Sri Lankan High Commissioner Yasoja Gunasekera speaks at a views exchange meeting held at CCCI in World Trade Centre on May 12, 2016.

Sri Lankan High Commissioner Yasoja Gunasekera said that Bangladeshi handicrafts and agro-based products enjoy a huge popularity and demand in Sri Lanka and Sri Lankan firms also can contribute to infrastructural development, particularly in power sector, in Bangladesh. The Sri Lankan envoy said some 10,000 Sri Lankan nationals are now working in different sectors including garment industry in Bangladesh. She called upon the CCCI President for sending trade delegation to Sri Lanka for increasing bilateral trade and enhancing overall relationship between her country and Bangladesh.

Addressing the meeting CCCI President Mahubul Alam said there is a trade deficit of around US\$ 66.24 million between the two countries due to less export from Bangladesh to Sri Lanka. There are many potential sectors including garment industry, pharmaceuticals, vegetables, home appliances, Iron and Steel and Plastic products for making export directly to Sri Lanka from Bangladesh, he said. Addressing the meeting CCCI Director Mahfuzul Haque Shah put emphasis on setting up technical training centres jointly by the two countries for producing skilled manpower. Besides, the two countries can work together for tea production and development of tourism industry, he observed. CCCI directors Jahirul Islam Chowdhury, Md Ohid Siraj Chowdhury, Md Zahurul Alam, Anjan Shekhar Dash and Sri Lankan Honorary Consul Javed Kaiser Ali were also present at the meeting.

BUILD and JICA Meeting on Policy for Light Engineering Sector

A meeting with Tetsuya Saito, Senior Advisor (Industrial Policy), Ministry of Industries, GoB was held at BUILD on May 30, 2016. Ahabul Yousuf Khan, Research Analyst was also present at the meeting to put forward their opinions on some Light Engineering sector development in the country specially Motor Cycle industries.

Saito mentioned that policies of the government should be framed in such a way so that small vendors can have a linkage with the Medium scale entrepreneurs and at the same time Medium should have linkage with the large so that all the different scales of industries are benefited and the full-fledged industrial sector can be developed. He said local vendors are mostly small and medium, they need technology and there is a serious need for integration of technical issues and management issues to resolve the inventory management, human development to contribute to the sector.

CEO BUILD added that a large number of assembling industries are already in operation in the country and the demand for motorcycle has been increasing because of per capita GDP increase of the country, so there should be a clear policy to graduate assembling industries to full-fledged manufacturing industries to meet the increasing demand of the country.

Vendors are operated in a haphazard manner, they need to produce quality products and gradually to some more value added products not only to concentrate only on some less value added products such as; seat, helmet etc. The Government should announce a Light Engineering policy where motorcycle could be a part. For addressing the transportation problem in the country, a self-sustained motorcycle industry can emerge in the country.

WB Meeting on Digital Entrepreneurship Ecosystem

BUILD CEO Ferdaus Ara Begum had a meeting with a delegation of World Bank Research on Digital Entrepreneurship Ecosystem on May 30, 2016 at IFC office. Brett Evan Dicksein on Digital Entrepreneurship Programme, Toni Kristian Elias and Nicolas Friederici joined the meeting and discussed for creating a platform for public-private dialogue with respect to ICT and Innovation Policy.

BUILD CEO referring to some of the ICT related activities of BUILD mentioned that there is a serious need for an Innovative Policy as ICT is one of the emerging sectors in the country. During the discussion, she referred about Entrepreneurship Equity Funding (EEF) allowed for the ICT sector but there are a number of stringent formalities for managing the fund. She also referred to the Intellectual Property (IP) cost as an equity is agreed in the policy, but the amount should be increased, she informed, in principle it has been approved to increase the IP cost from 5% to 10% but it has not yet been implemented. In the course of discussion she further informed that there is a need for IP Valuation method, so that this IP value can be reflected in the balance sheet of SME IT entrepreneurs. She also agreed that a PPD platform is very important for ICT development.

Meeting at PMO on SME Policy Strategy

A2i Programme of Bangladesh in collaboration with B-SEP Project of ILO and INSPIRED Project, organized a High Level Policy Dialogue on "Self-Employment and Entrepreneurship Development in Bangladesh" on May 15, 2016 at Karabi Hall, Prime Minister's Office.

The experiences of self-employment and entrepreneurship development initiative, 'Start and Improve Your Business (SIYB)', carried out by ILO in various countries were shared in the dialogue. BUILD CEO Ferdaus Ara Begum attended the meeting and raised several points in regard to the mandate of SMEF in implementing the SME Policy and SME strategy under MOI.

Follow-up Meeting of 8th PSDPCC at Mol

A meeting with the Chairman, Boiler Board and other officials of Boiler Office was held on June 16, 2016 at the Ministry of Industries (MOI) to discuss issues agreed as a decisions on the study of BUILD placed in the 8th PSDPCC meeting held on January 3, 2016 under the chairmanship of the Principal Secretary.

BUILD CEO replied and explained all the policy related decisions of the PSDPCC meeting which was placed on behalf of Boiler Manufacturers in Bangladesh.

Chairman Boiler Board underscored the need and potentials of this sector. He is keen to see for private sector representative in the Boiler Board, Boiler Chief Inspector suggested for revising the Boiler Rule first for incorporating private sector representatives.

Board Chairman also shown his interest and willing to extend cooperation for formation of Boiler association. Automation Issue was also discussed. Regarding design approval need for the second time for manufacturing of the same Boiler, Board Chairman agreed in principle on the merit of the proposal.

The Boiler office informed BCSIR has been assigned to update the Boiler regulation, where BUILD requested to engage private sector. Inclusion of a new chapter as XB has been agreed for encouraging domestic boiler manufacturers for producing Boilers for Rice Mills, Poultry Feed manufacturing units etc. BUILD's inclusion in the Sub-Committees of revising Acts, Rules, Ordinances were also emerged and discussed in the meeting.

Greater Dhaka Watershed Restoration Work Stream

The 2nd meeting of the Greater Dhaka Watershed Restoration work stream of Bangladesh was held on June 9 at the LGRD, Secretary LGRD presided over the meeting. A gazette notification No 42.00.0000.0 38.18.039/15 dated December 6, 2015 of the Ministry of Water Resources was issued under which the National Steering Board of Bangladesh Water MSP has endorsed three initial work-streams namely (1) Water Governance and Sustainability, (2) Greater Dhaka Watershed Restoration and (3) Agricultural Water. BUILD CEO as a Member of the Steering Board and Work-Stream was present in the meeting and informed that Planning Ministry as one of the GCF Focal point can be a member of the Work Stream and she also raised the problem of acute water logging in Dhaka can be included in the TOR of the committee if possible along with some other important issues presented in the meeting.

Mistreated Tax, Untreated Budget

ActionAid Bangladesh organized a national dissemination of a study report titled “Mistreated Tax, Untreated Budget” and a summary paper of ActionAid Bangladesh was presented in a seminar on May 28, 2016. Purpose of this national dissemination is to inform multi-stakeholders about the findings and capture their perspectives, generate debate around the potentials for raising Corporate Tax Revenue in realizing the SDGs. BUILD CEO as a Resource Speaker of the above event scheduled spoke on the occasion.

BUILD CEO said, the study could also consider the indirect impact of FDI such as employment creation, Technology Transfer, Export to other countries etc. Bangladesh Income Tax Ordinance 1984 at its chapter XVII, under its Double Taxation Relief Clause, extended these benefits to the countries who have double taxation agreements with Bangladesh. Bangladesh has about investment from 37 countries (EPZ) and in the Non-EPZ investment is also there, not all the countries are investing in a similar manner, but it is true that not all of them have Double Taxation Agreement, say, Denmark, Norway, Philippines, Poland, Romania, Vietnam have Treaties but not so much investment (No investment in the EPZ). There could be a detailed description on the information to show whether the countries with Tax Treaties are willing to invest to avoid taxes, while going through the Treaties, it is clear that all the relevant issues such as Establishment of the Entities, Associated parties, Dividends, Interest, Profit Repatriation etc. are clearly mentioned in the treaties and ratified. In future while going for these type of treaties, a detailed exercise is required as proposed by AAB, CEO opined.

In regard to the Transfer Pricing, she informed the regulation is effective in Bangladesh from July 2014 by the Finance Act 2014-regulation was originally introduced in 2012, section 107A-107 (6) of the Income Tax Ordinance, Rule 75 to 75A of the Income Tax Rules, 1984, Associated Enterprise 107(A) is also there. But so far these policies are not used properly because of non completion of full administrative arrangement. A strong cell in the NBR needs to take care of these issues, she added.

Meeting with WARPO

BUILD CEO as a member of the Task Force joined a meeting at WARPO on June 19, 2016 to put forward opinion on Economic Incentives for Sustainable Water Management in Bangladesh. The Task force was formed as per a meeting on Water Governance and Sustainability Work-Stream of the Bangladesh Water Multi-Stakeholders Partnership. The purpose of the Task force is to prepare a concept note for the pricing and incentives study for water sector in Bangladesh.

Articles of BUILD in National Dailies

Revisiting Non Tax Revenue and Tax Policies

<http://print.thefinancialexpress-bd.com/2016/05/09/140995>

Demand for Jute Goods in the International

Markethttp://www.thefinancialexpress-bd.com/2016/05/25/31693/Demand-for-jute-goods-rising-in-international-market

Drawing up strategies to address climate change

<http://www.thefinancialexpress-bd.com/2016/06/03/32802>

Climate Dialogue: Bridging Gaps in Understanding

<http://print.thefinancialexpress-bd.com/2016/06/22/144721>

Reform Implementation

ADR Resolving time reduced

In a recent time ADR is getting popular and a number of cases is being resolved through ADR process. A study on Alternative Dispute Resolution-Implementation and Policies was presented at the 2nd Taxation Working Committee Meeting of BUILD. BUILD proposed for reducing time frame of resolving ADR cases, the Finance Act 2016 has reduced the Time from 60 to 50 days now. This policy will help business entrepreneurs to get more and quick services from ADR.

Taxpayer's time to respond to the notice increased

In the present policy under clause 41(Uum((3), which mentioned tax payer need to apply for ADR within 10 working days if any sort of judgement, showcause requirement related notice and price fixation as per clause-5 is not in his favour, the time has been now increased to 20 days, which will help applicant to be ready to get a final decision. BUILD proposed for these change through its study on Alternative Dispute Resolution-Implementation and Policies and presented at NBR.

BUILD Scope

Value Chain analysis of leather and leather goods

The Bangladesh leather industry is well established and ranked second in terms of export earnings. Currently Bangladesh exports 0.5% worth \$215 billion of the global leather. About 8,50,000 people are directly and indirectly involved in the leather sector, among them 53% of the workforce are women in the leather products industry.

BUILD is conducting a study with an objective to find out the ways on how to diversify export of leather goods. A value chain analysis and sectoral mapping specifying the policy and procedures of business in this sector and to advocate and propose some recommendations on this issue are some of the objectives of the study. BUILD is also working for preparing a Business Licensing Guide Book for the domestic and foreign investors of the sector.

Restriction and Controlled Use of Hazardous and Toxic Substances for Industries

Discharge of hazardous chemicals is affecting the environment adversely. About one thousand people per million die every year for using contaminated water caused by the discharge of hazardous chemicals in Bangladesh. A number of research is going on throughout the world and identified safer substitutes of hazardous and toxic substances. Awareness among the business entrepreneurs is a must to advocate for reforms and for a suitable chemical use policy. In this thread, BUILD is conducting a study on the use of chemicals in the industries of Bangladesh which has a huge impact on environment with a view to suggest some policy reform in connections to restriction and controlled use of hazardous and toxic substances.

Photo News



BUILD Chairman Asif Ibrahim, Economist Wahiduddin Mahmud, former adviser to the caretaker government Sultana Kamal, Institute of Chartered Accountants of Bangladesh President Kamrul Abedin, Prothom Alo joint editor Abdul Kaiyum and Federation of Bangladesh Chambers of Commerce and Industry former first vice-president Jashim Uddin are present, among others, at a pre-budget discussion organised by the ICAB and the daily Prothom Alo at Prothom Alo office on May 20, 2016.



Citizen's Platform for SDGs, Bangladesh held a media briefing at CIRDAP auditorium at the CIDAP Auditorium on June 18, 2016. The platform was formed to work alongside the government for effective and efficient implementation of the SDGs in Bangladesh. As a member of the platform, BUILD Chairman Asif Ibrahim said private sector 'wants to play' an important role in greening industries and effective employment by creating graceful jobs.



After the 5th Trade and Investment (T&I) Working Committee Meeting of BUILD at the MCCI Conference Room on May 3, 2016, the MCCI Vice President Akter Matin receives BUILD Publications from BUILD CEO in presence of BUILD Chairman, Asif Ibrahim.



Over the meeting on Artemy Izmetiev, Policy Analyst, UNDP receives Business Start-up Licenses : A Regulatory Guide from BUILD CEO Ferdaus Ara Begum. Artemy said that rather contributing for episodic participation, the private sector needs to contribute as a full partner and for this political network has to be established. BUILD CEO put forward her opinion on behalf of the private sector and emphasized on the accurate information flow and a right kind of coordination among business, government and donors.



Right information at the rightest moment is a must for sustainable business. BUILD prioritized the access to information and took the challenge to ease business for the first time in Bangladesh. The Business Start-up Licenses-A Regulatory Guide (4th edition), a gist of about 300 Business Lienses along with renewal was lunched by the Hon'ble Prime Minister Sheikh Hasina, MP in January 2016 at the Bangladesh Investment and Policy Summit organized by the Board of Investment and BUILD. BUILD has also published two sectoral Business Start-up licensing guide books: Fish and Fisheries Business Start-up Licenses: A Regulatory Guide and Pharmaceuticals Business Start-up Licenses: A Regulatory Guide which provide a one stop service for all new and veteran entrepreneurs who are looking for Registration/License/Permission/Approval or Certificate for their respective businesses.

What are inside:

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