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BUILD is the first ever national Public Private Dialogue (PPD) Platform working to promote the private sector development through policy reforms that intends to lift up the business and investment climate of Bangladesh

Editorial

Budget 2017-18 & New VAT & SD Act 2012

The National Budget 2017-18 is going to be placed before the Parliament in the first week of June, 2017. In tandem with GDP growth, the scope and size of the Budget has been increased this year which would be more than BDT 4 trillion. While a large size of the Budget is not a problem in itself, implementation challenges are myriad.

Government is willing to increase Tax-GDP ratio from the present level of 10.5% to at least 13% in the terminal year of 7th Five Year plan. But this year's pre-Budget discussion is mostly rotating around the discussion on new VAT and SD Act 2012 which is having its 5th year of promulgation but could not be implemented because of the pressure of the business community, specially the small business entrepreneurs segment. The main concerns are the rate of VAT, wholesale withdrawal of supplementary duty and unclear policies on Vat exempted goods. On the other hand, businesses are not clear about the exemption policies for small and cottage industries.

Fixed rate of VAT is set at 15% on any transaction that occurs in the economy. Apparently the new Act illustrates that it would be a scientific VAT system, where VAT credit taking would be simpler through the online platform. It is clear that, with expansion of scope of VAT in the new Act, there would be inflationary effect on the economy, reducing purchasing power. Initially government was serious in keeping the rate at fixed 15% opting out of the truncated system.

VAT base has been widened through including different services such as; Lease, Grant, License, Permit, Right, Immoveable property, Supply and Facility etc. It is expected that with the widening of the scope, volume of VAT revenue will be increased. E-BIN is another priority. So far 9,000 business entities have been registered under new system. If the total E-BIN number is around BDT 1 lac and VAT scope is widened, revenue collection increase will be automatic.

Supplementary duty (SD) withdrawal issues would be a matter of concern to the small local manufacturing sector. Withdrawal of SDs on around 1,339 products at a time will have tremendous impact. From BUILD research it is found that 31 business sectors such as soap, candles, mosquito coil, bath, shower material, and sinks, RMG and Footwear will face severe outward competition.

Of course, it is still some more weeks to go to get the rate of fixed VAT. For the last few months a series of public private dialogue is going on and sometimes it is heard that the rate will come down further. We would expect for a reasonable VAT rate, a clear SRO for exempted products such as food and other essential items like life-saving medicines etc. Businesses are willing to pay VAT and other indirect taxes but this should be affordable and reasonable so that they can continue their business and do not impact negatively by increasing the cost of doing business.

Ferdaus Ara Begum
CEO, BUILD

TSP meeting puts thrust on efficient use of water



Pictured are BGMEA President, Founder Chairman of BUILD Asif Ibrahim along with other TSP Members at BGMEA.

The 2nd meeting of the Textile Sustainability Platform (TSP) was held on April 30, 2017 at the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) conference room where Asif Ibrahim, Founder Chairman of Business Initiative Leading Development (BUILD) chaired the meeting.

Siddiqur Rahman, President BGMEA and Miran Ali, Director, BGMEA were present and endorsed the meeting proceedings and decisions. CEO BUILD Ferdaus Ara Begum informed the meeting about the implementation progress of the 1st TSP meeting and other related issues and sought all out supports from the TSP members to achieve the goals of the platform.

The findings of the study on "Regulating Private Sector Water Use & Water Pollution in Bangladesh: Mapping of Responsibilities" prepared by BUILD were presented in the meeting. The study has taken a stock of roles and responsibilities of 19 government organizations that have primary or secondary relevance in regulating water use, pollution control and management issues in Bangladesh.

Asif Ibrahim, Co-Chair of TSP, suggested that the recommendations could be advocated through the Private Sector Development Policy Coordination Committee (PSDPCC) at the Prime Minister's Office (PMO) as well as Sustainability & Green Growth Working Committee (SGGWC) co-chaired by the Secretary, Ministry of Environment & Forests (MOEF) and President, BGMEA.

The TSP Members offered insightful suggestions and feedback on the study. It was suggested that the recommendations can be streamlined and categorized into short, medium and long term ones for which advocacy activities can be undertaken by TSP. In regard to the Water Rules, discussion revealed that it is almost in the final stage and would soon be submitted to Ministry of Water Resources for approval. The TSP members welcomed the notion of voluntary disclosure of water use and water treatment by the private sector.

Government officials, noted academics, researchers and sector experts, as well as representatives from chamber bodies, international development partners, and brands took part in the meeting.

Meeting with MOEF and UNDP



Business Initiative Leading Development (BUILD) officials met with the Ministry of Environment and Forests (MoEF) Secretary on April 12, 2017 at MoEF to discuss some key issues related to Sustainability and Green Growth Working Committee (SGGWC) and BUILD's ongoing collaboration with the MoEF.

During the meeting, BUILD CEO briefed on the activities and role of the BUILD for business development of the country and also mentioned about BUILD's initiative to organize public-private dialogue, research and advocacy activities under five thematic areas including sustainability and green growth, trade & investment, taxation, SME development, and financial sector development.

Regarding BUILD's ongoing collaboration with MoEF, she shortly mentioned the decision of the previous meetings and so far activities that have already been done in Sustainability and Green Growth Working Committee. She briefed the membership formation of SGGWC and also its mandate to engage existing associated and complementary dialogue partners, one of such is the Textile Sustainability Platform (TSP) that focuses specifically on environmental sustainability and resource efficiency in the textile sector of Bangladesh.

UNDP representative, Khurshid Alam mentioned UNDP's support to BUILD regarding formation of SGGWC. CEO BUILD mentioned a proposal on Sustainability and Green Growth for Environment Supporting Strategy (SUGGEST) that aims to build capacities of the private sector in certain areas where MOEF can support and will give suggestion in that respect in future.

As a distinguished co-chair of SGGWC, Istiaque Ahmad, Secretary in charge, MoEF mentioned that goal 12 and 13 would be relevant to the agenda of SGGWC. He mentioned that MOEF collaboration with BUILD will continue and the working group will organize the next meeting after the finalization of the committee with both Public and Private sector representative. Finally he said that MoEF will extend their support to get the representatives from ministries and agencies of GOB for co-option in the SGGWC where UNDP and BUILD will follow up with ministries and agencies so that the committee can be finalized soon.

From MoEF, Abdullah Al Mohsin Chowdhury, Additional Secretary (Development), Farjana Khanom, Senior Assistant Chief, Arif M. Faisal, Programme Specialist, Climate Change, Environment and Resilience Cluster, UNDP, Mayeesha Azhar, Research Assistant, UNDP and BUILD officials were also present in the meeting.

Meeting between BUILD and BSCIC



After the meeting, BUILD CEO Ferdaus Ara Begum hands over a set of Business Start-ups Licenses: A Regulatory Guide to Mustak Hassan Md. Iftekhhar, Chairman, Bangladesh Small and Cottage Industries Corporation (BSCIC) along with his colleagues had a meeting with BUILD CEO at BSCIC Office on April 11, 2017.

During the meeting, BUILD CEO said BUILD became the first ever research-backed and evidence-based public-private dialogue platform in Bangladesh. It aims to improve the business enabling environment through a platform where both the Government and the private sector work together to promote trade and investment, in particular, to: (i) promote an improved investment climate in Bangladesh; (ii) significantly reduce the cost of doing business and; (iii) increase private sector development and investment thereby creating jobs and opportunities for growth.

The significant achievements of BUILD in its short life since 2011 clearly demonstrate both the need for such dialogue, as well as the powerful results such dialogue can generate for businesses in Bangladesh, said BUILD CEO.

While the private sector partnerships of BUILD are critical for its existence, the vital partnerships of BUILD are those that have been established through its Working Committees (WC) with the different public sector counterparts. There are five thematic WCs through which private sector presents their concerns in a structured manner and reach towards solutions.

She also briefed him on the activities and role of the BUILD for business development of the country. "We have initiated a study on Land Ownership Transformation Policy and we will place it to the coming SME development Working Committee", she said.

The study, meanwhile finds that BSCIC has so far allocated 10,379 numbers of plots among 5,799 units of which 4,420 units are already in operation while 414 units are either sick or shut down. 349 plots are still not owed yet. The meeting also put lights on the core activities of BSCIC with special focus on Land Ownership Transformation Policy of the country.

The Chairman of BSCIC gave a patient hearing and assured BUILD that BSCIC will support the study to go forward and requested BUILD to analyze the activities in and out.

The delegation was equipped by Khandoker Aminuzzaman, General Manager (Planning Division), BSCIC, M. A. Hannan, Deputy Manager, BSCIC, Golam Sarwar Basunia, General Manager, BSCIC and Bashir Ahmed, Deputy General Manager (Industrial Estate Division), BSCIC.

Joint Collaboration between BUILD & UNIDO



The meeting between BUILD and UNIDO at BUILD in progress

Business Initiative Leading Development (BUILD) and a UNIDO Mission joined a meeting on April 1, 2017 at BUILD's Office to discuss ways and means for deeper cooperation between the two organizations. The UNIDO mission has come to visit Bangladesh during March 26–April 3, 2012 to develop the UNIDO Country Programme Strategy 2017-2021 in line with Government of Bangladesh's 7th Five Year Plan (2016-2020) and Sustainable Development Goals (SDGs).

Rene Van Berkel, Officer in Charge - Regional Office India, UNIDO shared the focused areas of interest of UNIDO. He noted that the meaning of business investment has shifted from a profit-centric activity to one oriented towards sustainability, innovation, and so on. Public-Private Partnership (PPP) is critical to harness the benefits of meaningful investment. UNIDO is interested to foster partnership with BUILD in this area.

Ferdaus Ara Begum, CEO, BUILD gave a short overview of the activities of BUILD. The unique value that BUILD brings on board is the ability to leverage its representation in leading chamber bodies.

BUILD CEO further explained how BUILD mobilizes private sector inputs, filters and validates them, and presents them at high-level public-private platforms. She mentioned that BUILD has been working on five key areas including Trade & Investment, Taxation, Financial Sector, SME Development, and Sustainability and Green Growth. BUILD is proactive in mainstreaming the green growth agenda in major industrial sectors of Bangladesh. CSR is one area that combines the issue of environmental sustainability and social responsibility.

Prakash Mishra, Programme Officer, Asia-Pacific Bureau mentioned the issue of subjectivity that is often involved in government service delivery to businesses.

In this regard, Ferdaus Ara Begum shared the Business Licensing Guidebook of BUILD which strengthens transparency of regulatory procedures and allows the businesses to have a clear idea about cost of doing business. She mentioned that BUILD has already published two sectoral licensing guidebooks and is in the process of publishing a few more.

Based on the discussion with BUILD as well as series of discussion with the government, the UNIDO team would be able to gauge the priorities in which it should focus in Bangladesh. It will finalize its cooperation agenda with BUILD on the basis of that assessment.

BUILD presented SUGGEST at UNDP

Business Initiative Leading Development (BUILD) and UNDP team joined a meeting on April 5, 2017 at UNDP Office to discuss the Sustainability and Green Growth for Environment Supporting Strategy (SUGGEST) Project of BUILD to be implemented in collaboration with UNDP.

The goal of the project is to “enhance private sector capacities by providing them information and technological assistance to face challenges of sustainable development”.

The focus of the project is to meet knowledge gaps in primarily the private sector so that the latter could play effective role in sustainable development, specifically keeping the implementation of Sustainable Development Goals (SDGs) in view. BUILD CEO explained the suggested activities under the four components.

Arif M. Faisal, Programme Specialist, Climate Change, Environment and Resilience Cluster, UNDP appreciated the idea and suggested that BUILD is a public-private dialogue platform with its core strength in policy advocacy and capacity building of private sector.

Hence, for Component A, the activities could focus on advocacy for adoption of standards for LED Light, High-end fiber optic Cables and Insulated Safety Cables and small scale transformers. BUILD will discuss with SREDA in this regard.

For component B, he mentioned BUILD could raise awareness of private sector organizations regarding waste management. BUILD needs to talk with DoE about need assessment for e-Waste Management. BUILD also needs to check with BUET and such universities about bibliography on waste management.

For component C, he suggested considering recycling of wastewater, sustainable consumption of water and resources in industries, and so on. Design of products and appliances to strengthen resource-efficiency could facilitate sustainable consumption.

For component D, he considered the proposed capacity building activities as quite relevant and in sync with the mandate of BUILD. He suggested small, high-impact activities that would harness the internal core competences of BUILD. Ferdaus Ara Begum appreciated the useful feedback of UNDP on the proposal of SUGGEST.

Objectives of SUGGEST include;

- To develop and chalk-out some private-sector specific activities and studies to provide them with required information so that their knowledge gaps can be bridged
- To conduct some advocacy with the government so that some policies can be framed and at the same time some reforms and simplification can be suggested to face the challenges of environment, climate change etc.

BUILD will revise the proposal of the project in line with the discussion with UNDP and share the same with them shortly.

BUILD would take all efforts to talk to SHREDA, DOE, BSTI and BUET and relevant other organization in getting some information to be included in the project proposal.

Chinese Exchange meeting on taxation policies



BUILD CEO speaks at the Chinese Exchange Meeting on Bangladesh Taxation Policies at Southeast University.

Overseas Chinese Association in Bangladesh (OCAB) organized a seminar on Chinese Exchange on Bangladesh Taxation Policies at the Seminar Hall of the permanent campus of Southeast University, Tejgaon, Dhaka on 7 March 2017.

Chairman of National Board of Revenue (NBR) Nojibur Rahman was present as Chief Guest. First Secretary of NBR VAT Dr. Md. Abdur Rouf and Md. Shabbir Ahmed were present as Guest of Honors and Prof. Dr. ANM Meshquat Uddin, Hon'ble Vice Chancellor of Southeast University, Zhuang Lifeng (Leo), OCAB President, Parvez Iqbal, Member of NBR Tax Policy, Li Guangjun, Counselor of China Embassy and XuXianhao, Consul of the Chinese Embassy and Ferdous Ara Begum were present as Special Guests. The speakers delivered their valuable speech on Bangladesh Taxation Policies at the Seminar.

Organization for Chinese Investors in Bangladesh (OCAB) organized the exchange program on bridging the understanding gaps on taxation policies of Bangladesh for expanding investment in Bangladesh at South East University on 7th March, 2017.

BUILD CEO shortly introduced BUILD saying- BUILD features public private dialogue on five thematic areas – Tax, SMEs, Financial Sector and Trade and Investment, Sustainability and Green Growth. It undertakes much of the analysis and advocacy to support the dialogue process, and assist in ensuring that BUILD develops specific, measurable and results-based recommendations for the Government to implement. BUILD is Bangladesh's private sector-led business reform champion. It has been designed as a sustainable platform for action-oriented business reforms that simplify the process of doing business in Bangladesh, by working closely with the Government.

In her presentation, BUILD CEO presented a mapping on the whole taxation eco system of Bangladesh and informed that tax related issues are almost same for both local and foreign investors.

She also mentioned that a significant reform is going on in several Tax Policies in the country and referred about VAT & SD Act 2012, Customs Act 2016, & Income Tax Code etc. She emphasized the need for regular meetings of this type for bridging gaps between investors and Tax policy planners. She offered support from BUILD for the Chinese investors in regard to addressing tax related issues.

BUILD's Meeting with BB regarding e-Payment System

BUILD team led by the CEO met Lila Rashid, General Manager, Payment Systems Department, Bangladesh Bank (BB) regarding the Study on "Access to Technology to Women Entrepreneurs" on March 27, 2017 at Bangladesh Bank.

The meeting was held at the Departmental Conference Room of Payment Systems Department (PSD) of Bangladesh Bank. BUILD CEO gave an introduction of BUILD and said it mostly works for business-related public policy reforms through different policy dialogue with government and private sector. It focuses on concrete and demonstrable business reforms backed by sound research and analysis and follow up activities and strong advocacy are conducted and finally through M&E it tries to evaluate the impact.

Lila Rashid gave an introduction of PSD and its activities. She said that there are different platforms of payment settlement systems and have different guidelines about payment system of Bangladesh. She also informed about automated check processing system, EFT credit transaction, mobile financial services, BD-RTGS system, merchant payment gateway etc. She requested BUILD to organize some awareness creation programme regarding the above mentioned platform of payment system settlements. She mentioned that in EFT credit transaction is very effective nationwide electronic payment systems but different banks are not interested to the system because it is a free service of BB through EFT, any amount can be transferred by the business entrepreneurs.

Mobile financial services in Bangladesh are a non-checking limited purpose account, designed to perform low value money transfer services. She informed that women can be an agent of mobile banking.

In course of discussion, S.M. Rezaul Karim, DGM, PSD, BB said that there is another payment system by which sender transfers money above one lakh within half an hour within the country. But there is no outward transaction process. The outward payment system monitors the Foreign Exchange Policy Department of BB. They allow up to USD 7000 for IT sectors mobile financial services and there is a preference for women to be in these businesses according to BB guideline. Recently BB and IFC are jointly doing a pilot survey on how to engage more women as an agent of mobile financial services at EPZ.

CEO, BUILD wanted to know about e-commerce payment system. Lila said that one of the challenges of e-commerce in Bangladesh is the quality of the product. An officer of PSD informed that cash on delivery is the most commonly used payment method in Bangladesh.

As per estimates, more than 95% of e-commerce users in Bangladesh prefer cash on delivery (COD) payment model. Very few e-commerce businesses operate on the system of only delivering the product after receiving the amount through a bank transfer. Some e-commerce websites also prefer b-cash payment models for transferring small amounts.

There is another payment system that is merchant payment gateway. Several private sector banks and couple of technology companies such as SSI Commerce and Surjomukhi have established gateway for providing payment services to e-commerce entrepreneurs in the country. These gateways enabled the e-merchants to receive their sales proceeds through the internet from domestic buyers.

Partner's Corner



MCCI holds pre-budget talks at NBR



The NBR Chairman speaks at the meeting with MCCI Delegation.

A delegation from the MCCI led by Golam Mainuddin, the Vice-President, met Md Nojibur Rahman, Chairman of the National Board of Revenue (NBR) and discussed the Chamber's proposals for the upcoming National Budget 2017-18 on 8 March 2017.

The government in the budget for the current fiscal year cut the investment ceiling to 25 per cent of a taxpayer's total income. Taxpayers get 15 per cent tax rebate on their investment up to the ceiling.

At a pre-budget discussion with the revenue board, the MCCI also demanded setting the highest rate of income tax for individual taxpayers at 25 per cent, reducing it from the current 30 per cent. Reduction in tax burden will encourage the taxpayers to declare their actual income, it said.

At a separate meeting held at the NBR headquarters in Dhaka, the BCI demanded increasing the tax-free income limit to Tk 3.50 lakh for individual taxpayers in the next budget from the current limit of Tk 2.50 lakh. The proposals include introduction of a group taxation for group of companies to avoid double taxation on profit of a sister concern of the group.

The trade body also sought a 10-per cent tax rebate for publicly traded companies if they give cash dividend at more than 50 per cent. Adeeb said that an increase in investment rebate would benefit the capital market through increasing the amount of investment. MCCI member M Anis Ud Dowla said the revenue board should allow the taxpayers to receive cash refund against the excess payment.

DCCI holds Seminar on Strategies for SDGs



The meeting is in progress at Dhaka Chamber of Commerce & Industry (DCCI).

A collaborative effort of both public and private sector will expedite attaining SDG by the year 2030, said Md. Abul Kalam Azad, Principal Coordinator (SDG Affairs), Prime Minister's Office. He made this comment at a seminar on "strategies for business benefits from SDG for the private sector" organized by Dhaka Chamber of Commerce & Industry (DCCI) on 1st March 2017. Md. Abul Kalam was present as the chief guest while former Adviser to the caretaker government and Executive Chairman, Power and Participation Centre (PPRC) Dr. Hossain Zillur Rahman and Member (Senior Secretary), General Economic Division, Planning Commission Dr. Shamsul Alam were present as special guests.

Former DCCI President and Advisor, SDG & Strategy 2030 Committee of DCCI and Advisor to BUILD Asif Ibrahim presented the keynote paper. DCCI President Abul Kasem Khan chaired the seminar.

In his welcome remarks DCCI President Abul Kasem Khan said with prudent macroeconomic management, incremental economic growth, per capita income of \$1466, Bangladesh is advancing to graduate into Middle Income Country by 2021. The SDG is expected to reshape 'tomorrow's business era accompanied by diverse opportunities and challenges, he said. He also said out of the 17 goals in the SDG, Goal 7, 8, 9, 12, 14 and 17 are apparently and largely associated with trade, business and investment triggering wide-ranging opportunities for private sector. He said for facilitating the private sector in the SDG regime FDI and Tax/GDP ratio net need to be raised from the current levels.

CCCI holds Chittagong International Trade Fair (CITF) 2017

The Chittagong Chamber of Commerce and Industry organized the month long (30 day) 25th Chittagong International Trade Fair (CITF) 2017 from the third week of March, 2017 at the Railway Pologround premises in Chittagong, Bangladesh.

Over the years since its humble striding in 1992, this mega event in private sector has created a tremendous enthusiasm among the exhibitors and visitors registering a significant growth in terms of participants, sales and promotion of products/services. Housing and Public Works Minister Engineer Mosharraf Hossain was the chief guest at the concluding ceremony of the month-long Chittagong International Trade Fair organised every year by the premier trade body Chittagong Chamber of Commerce and Industry at the Polo Ground in the city. Presided over by CCCI president Mahbulul Alam the event was also addressed by MA Latif MP as special guest. Directors of the CCCI, Assistant High Commissioner of India in Chittagong Somnath Halder, diplomats, senior government officials, trade body leaders and dignitaries were present.

Engineer Mosharraf said the government is setting up the country's largest ever economic zone at Mirsarai on an area of 35,000 acres of land and there will be another four lane road joining the Dhaka-Chittagong four lane highway with the Mirsarai economic zone. Chittagong will be one-city two-town model area after the construction of the Karnaphuli Tunnel.

Economic Upliftment of Rural Women Entrepreneurs



Special Guest of the program Asif Ibrahim, Advisor to BUILD speaks at the meeting.

Dialogue on "Economic Upliftment of Rural Women Entrepreneurs" at Lakeshore Hotel & Apartments on 2nd April, 2017 re-affirmed the commitment towards Rural Women's Economic Empowerment. Coca-Cola announced the 3rd Phase of its 'Women Business Center Project'. In the third phase of the program, it aims reach 20,000 additional women within 2018, taking the total count of women beneficiaries to 40,000.

The announcement was made at the dialogue, jointly with Business Initiative Leading Development (BUILD) to share good practices and critical challenges of rural women entrepreneurship development. The dialogue engaged stakeholders from public, private and civil societies, media professionals and other relevant bodies to highlight cases of women entrepreneurship development.

The dialogue featured a panel discussion on Economic Upliftment of Rural Women Entrepreneurs where Mafruha Sultana, Vice Chairman & CEO, Export Promotion Bureau (Women Development Policy Strategy), Qantara K Khan, Director, CWCCI, (Partnership for Progress), Shubha Sekhar, Director Sustainability of Coca-Cola India & South West Asia (Role of corporate along with government and civil society), Doulot Akter Mala, Special Correspondent, The Financial Express (Media and its role) and Ali Sabet, Team Leader PRISM (ICT and access to technology) spoke on different aspects of women entrepreneurship development. Ferdaus Ara Begum, CEO BUILD moderated the session.

Chief Guest of the program Md. Mosharraf Hossain Bhuiyan, Senior Secretary, Ministry of Industries, GOB commented that: "I remember in the 60s, in my village, how our mothers used to milk cows, and send us boys to the market to sell it. They used to grow modest amounts of tomatoes and cauliflowers, or raise goats and poultry – they were always trying to find a way to earn a little something of their own."

Special Guest of the program Asif Ibrahim, Advisor to BUILD commented, "There are different initiatives that we can take for the empowerment of rural women where we need long-term and feasible policies. We need projects like the one we are discussing today to economically empower and advance the rural women of our country."

Ferdaus Ara Begum, CEO highlighted some aspects of women entrepreneurs and said, "The third generation women entrepreneurs have exposed their potentials, capable to contribute more than what they are doing now these untapped source of economic growth needs adequate policy support and access to technology."

Chemonics & BUILD sign MOU for regional connectivity

Business Initiative Leading Development (BUILD) signed a Memorandum of Understanding (MOU) recently with Chemonics, the implementer of the U.S. Agency for International Development (USAID)'s Asia and Middle East Economic Growth (AMEG) project, to coordinate their approach to activities promoting regional connectivity in South Asia through August 2017.

AMEG supports USAID Missions and Bureaus in the Asia and the Middle East regions by providing the necessary tools to conduct successful economic and financial management assessments, strategic planning, diagnostics, pilots, and program designs.

The MOU was signed by Anne Spahr, AMEG Chief of Party, and Ferdaus Ara Begum, Chief Executive Officer of BUILD. Under this MOU, BUILD will serve as a key partner for AMEG on regional activities in 2017 and help identify opportunities for enhancing regional connectivity and trade, facilitate connections with Bangladeshi stakeholders, and provide feedback to the AMEG team when necessary. AMEG will identify opportunities for collaboration with BUILD, develop scopes of work, and enter into agreements that include specific areas for collaboration.

AMEG and BUILD will work together to carry out a two-day Task Force Workshop in India in April 2017 to design a demonstration pilot for enhancing regional connectivity. This task force and pilot activity seeks to bring together public and private sector stakeholders to demonstrate the viability and positive impact of allowing express shipments through land ports between Bangladesh and India.

Having signed the MOU, Ferdaus Ara Begum, Chief Executive Officer of BUILD said that all our commitments existing in the MOU will be delivered as planned to enable AMEG activities promoting regional connectivity in South Asia in general and between Bangladesh and India in particular.

Anne Spahr, AMEG Chief of Party said that AMEG is very excited to partner with BUILD in Bangladesh to put some of the recommendations to facilitate trade and new investment into action in the region.

As IPEC Phase III moves forward to support implementation of aspects of the NTB action plan developed in December 2016, Chemonics is partnering with BUILD to provide formal support to implementation of critical activities in Bangladesh and the region. As a subcontractor, BUILD will provide meeting facilitation services for Chemonics consultants traveling to Dhaka, leadership support for the task force workshop in India, and provide assistance to identify opportunities for additional trade facilitation Technical opportunities in the region.

Articles of BUILD in National Dailies

Entering the Tech Bubble

<http://ibtd.net/entering-the-tech-bubble/>

Electronic government procurement and policy transparency

<http://print.thefinancialexpress-bd.com/2017/03/11/166945>

Single VAT rate to raise prices of essentials

<http://print.thefinancialexpress-bd.com/2017/04/24/17073>

Reform Implementation

Guidelines for Audit

BUILD prepared and presented a study on "simplification of Audit policy (Income Tax)" in the 2nd TWC meeting on 3rd February 2016 at NBR. In that meeting, BUILD proposed for a detailed Guideline with all related information for the Tax Payers so that they are prepared fully not to face Audit which is creating hassles for running their businesses. In responses, NBR informed there is a guide line for audit which is used by allied department of NBR but for the tax payers as such there is no public guide lines.

On 19th February 2017 audit intelligence investigation unit of NBR has prepared a guideline for tax payers as per ITO 1984, section 82BB (1) and in case of return submission 82BB (3) for the FY 2016-17. This Guideline will be helpful for the Tax payers, BUILD also requested for publishing the Tax audit guideline through website of NBR.

Risk-based Auditing

Similarly in case of risk-based auditing a circular was made on 1st December, 2016 for the commissioners to handle the risk-based process as per ITO 1984, 82BB(2) for the FY 2016-17. BUILD recommended for risk based audit system:

a. Risk based audit approach has to be implemented so that Tax payers are not harassed for paying taxes.

It was decided that Risk based audit system could be introduced with some criteria which is in the process after full automation of the taxation system by July, 2017 with the announcement of National Budget.

Agro-Sector Team Dialogue on Conformity Assessment

BUILD is going to lead a delegation to New Delhi India to have a Dialogue with them on Conformity Assessment Standards and how business people of these two countries can become aware about the Conformity Need Assessment standards of India. Five sectors are initially identified, which are Agro and Agro Processing, Jute, Leather and Leather Goods, Plastic and RMG/Textile.

BUILD started sector-wise Dialogue and the first meeting was held with the agro-processing sectors on April 27 at the conference room of BUILD. The intending Delegation members were present and put forward their point of views. They raised several issues, which are among others: high informal tax, delay in testing, infrastructure in the land ports, cargo handling and information gaps etc.. However they also mentioned that goods once tested based on the criteria and attain certificate, do not need to be tested for several consignments of the same product. These should be allowed for a year to enter into the Indian market without test. They also highlighted to improve institutional ties among these two countries and frequent exchange of views in addressing NTBs.

BUILD Scope

Electrical and Electronics Sector in Bangladesh -Policy Simplification for Refrigerator Industries

Refrigerator is one of the important sectors in the country, demand of which has been increasing with the increase of standard of living. With the economic advancement of Bangladesh, the demand for necessary electric and non-electric home appliances will be increasing further in the coming years. BUILD has been working on a study namely "Simplification of the Policies for Refrigerator Industry" and recommended some policy reforms.

Solar industry in Bangladesh

Bangladesh possesses huge potential for development of Renewable Energy. In 2008, the Government of Bangladesh adopted a dedicated renewable Energy (RE) policy to promote and foster the renewable energy development. This policy envisages having at least 10% of total power generation from RE sources from the total energy generated in Bangladesh. In other words, the policy has set a target to have at least 2,000 MW power from renewable sources by 2020. BUILD is working on a policy reform study and will suggest some reforms on tax related problems of the solar panel manufacturers.

Business Start-Up Regulatory Guide Book 5th Edition

BUILD has started working on the 5th Business Licensing guide Book. The Guide Book will cover about 200 License with renewal. The Book will cover all updated version of the documentation, Fees and other relevant information.

The unique nature of the Book would be that it will have separate Books on important heads such as Trading, Services, Export Import, Investment, Safety and Standard, ICT, Logistics & Utilities, Real Estate, Chamber and Association etc.

Meeting on Simplification of Sample Import for RMG Sector

BUILD CEO, Ferdaus Ara Begum joined a meeting on March 16, 2017 arranged by Spain Bangladesh Chamber of Commerce & Industry (SBCCI) in the IBI-BTFA office. Officials of SBCCI, IBI, USAID, BGMEA, INDITEX and Just Farming were present in the meeting. SBCCI strongly recommended a change of the Import policy on samples of a small consignment where Deminimis and Risk Management system have to be implemented. INDITEX, the representative of the Garments Buyer Association informed that to import sample there are numbers of barriers like restriction on number of sample import, inefficiency of custom office, long waiting time to collect sample from airport etc.. He added that due to these types of problems they are losing orders from buyers. Ferdaus Ara Begum said that BUILD would talk to the concerned person and go through the details of the policy so that some reforms can be suggested in this sector.

Agreement between Austrian Embassy and BUILD

BUILD signed an agreement with the commercial section of Austrian Embassy to provide them with all related Investment information support and other necessary support to expand bilateral ties between Austria and Bangladesh.

BUILD as a Focal Point will maintain contact with the Austrian Embassy-Commercial Sector to provide information on the economy and all related investment and business policy changes. BUILD will do market research as and when requested by the Austrian companies and intervene with the commercial enterprises for any sort of business matching purposes.

Visit of Women Business Centre-Jamalput Melandhaho

BUILD CEO along with some officials of Coca Cola and journalists visited Shaympur, Melandoho Jamalpur, Women Business Centre run by Coca Cola with the help of United Purpose-an NGO. So far 20 Women Business Centres (WBC) are in operation. Since 2015 these Women Business Centres have been providing IT and Communication Services, Agriculture and family owned business, and marketing support services. A group of 5 women is working in each centre and providing different types of services. Coca Cola is going to expand these services and committed to going to the 3rd phase of the project.

Connecting Business Initiative-for DRR

BUILD attended a program of Innovation Hub, IDB Bhabon at a presentation on Connecting Business Initiative (CBI) Bangladesh. CBI is currently working in Fiji, the Philippines, Myanmar, Sri Lanka, Turkey, Madagascar, Kenya, Nigeria, Cote d'Ivoire, Mexico and Haiti and is willing to expand to forty countries by 2020. Bangladesh could be one of the potential countries that can utilize the initiative to launch innovative projects for addressing disaster risk reduction.

Submission of Policy Paper to PMO on Simplification of Policies for Raising Paid up Capital for Foreign Investors

BUILD CEO Ferdaus Ara Begum joined a meeting on "Working Group on Improvement of Investment Climate" on April 20, 2017 at PMO. The meeting was chaired by Md. Tofazzel Hossain Miyan, DG-1 and Working Group Coordinator, Nafiul Hasan, Director-1 of PMO; representatives from Ministry of Foreign Affairs, BIDA, BEPZA, FBCCI, JBCCI, JETRO, JICA, Embassy of Japan were also present at the meeting. Ferdaus Ara Begum presented a study of BUILD on Simplification of Policies for Raising Paid up Capital for Foreign Investors.

Earlier on October 18, 2016 meeting at PMO some Japanese investors raised the issue of enhancement of paid up capital limit without having approval from Bangladesh Security Exchange Commission (BSEC). Foreign investors of Japan informed that incase of private limited companies, if paid up capital exceeds BDT 10 crore margin, the companies are required to obtain permission from the BSEC every single time which causes delay. Having the permission from BSEC, the companies are required to go to RJSC for the allotment of shares and the process is too lengthy and time consuming.

BUILD talked to BSEC and RJSC and placed some recommendations, such as:

[1] To raise paid up capital up to 40 crore foreign investors will only report to BSEC officially, instead of having permission from BSEC.

[2] To reduce this lengthy and complex process, RJSC, BSEC and Bangladesh Bank on behalf of all banks may introduce an online communication system to check these documents,

[3] List of documents, list of consultants, fees of consultants etc. to enhance paid up capital need to be updated in the website of relevant organizations.

Md. Tofazzel Hossain Miyan, DG-1 of PMO said in concluding remarks that PMO will take initiative to share the report to the respective bodies like Ministry of Finance, BIDA, BSEC, RJSC to get their views on policy reform.



Right information at the rightest moment is a must for a 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 Licenses along with renewal was launched by the Hon'ble Prime Minister Sheikh Hasina, MP in January 2016 at the Bangladesh Investment and Policy Summit organized by BIDA 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:

Getting Start-up License & Renewal 0	0 Step by Step Process Flow
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