

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.

Bangladesh Telecommunication Regulatory Commission (BTRC) chief rules out GP's arbitration plea

- Bangladesh Telecommunication Regulatory Commission (BTRC) chairman said that there is no scope for arbitration in the existing law regarding the bandwidth cut-off. The statement came in response to Grameenphone (GP) chief executive officer (CEO) Michael Patrick Foley's call for making arbitration to settle the ongoing conflict with BTRC regarding bandwidth interrupt.

- On Thursday last, the Commission partially blocked the bandwidth capacity of mobile telephony firms Grameenphone and Robi for the non-payment of dues discovered in audits. BTRC claimed BDT125.79 billion from GP and BDT 86.72 billion from Robi after the audits. Terming the blocking of bandwidth "inappropriate and illegal," GP boss said the directive has added burden to the customers and the business community with investors and IIG operators. He urged the BTRC to withdraw the directives and cooperate in resolving the "disputed audit demand" issue through a constructive arbitration process under the Arbitration Act 2001.

- Grameenphone had served a notice of arbitration on the BTRC inviting the regulator to a constructive arbitration process to resolve the disputed audit claim. BTRC has remained silent, GP said. The directive issued by the BTRC is not addressed to Grameenphone, but the telecom regulator has publicly stated that the bandwidth capacity will remain blocked until it clears the payment, GP said.

- The BTRC chief made it clear Grameenphone demanded holding of arbitration to settle the ongoing conflict with the BTRC, but it is not possible. The BTRC is monitoring customers' sufferings and it will decide on the next course of action in its next meeting, he said.

<http://today.thefinancialexpress.com.bd/first-page/btrc-chief-rules-out-gps-arbitration-plea-1562522437>

<https://www.thedailystar.net/business/news/bandwidth-block-illegal-gp-robi-1768342>

<http://www.newagebd.net/article/77790/gp-terms-btrcs-bandwidth-cut-move-illegal>

<https://www.dhakatribune.com/business/2019/07/07/btrc-chairman-no-arbitration-possible-regarding-bandwidth-cut-off>

<https://www.dhakatribune.com/business/2019/07/07/gp-demands-arbitration-to-settle-bandwidth-cut-off>

Banks to form special cell to monitor top defaulters

- Banks will form a special cell for monitoring their top defaulters having defaulted loans above BDT1.00 billion in a bid to bring down the volume of bad loans in the sector, according to a draft policy of Bangladesh Bank (BB). The central bank is going to hold a meeting with eleven banks and related department of the central bank on Monday to finalize the policy. A circular about the policy will then be sent to the chief executives of the banks concerned.

- In March this year, the central bank started working to strictly monitor the top defaulter companies in the banking sector. Recently, the bank sent a letter to different banks asking for more suggestions about the types of initiatives against top defaulters with defaulted loans above BDT 1.00 billion. Banks having a huge volume of defaulted loans have been told to attend this meeting. Eleven banks with four state-owned Sonali, Rupali, Agrani, Janata would participate in the meeting, said a senior BB official.

- Earlier, Bangladesh Bank (BB) had warned seven banks to reduce their soaring defaulted loans. The seven banks are Sonali, Janata, Agrani, Rupali, National Bank, Islami Bank Bangladesh and Al Arafah. According to the BB latest data, the non-performing loans (NPLs) of banks rose by a staggering BDT 169.62 billion in a period of three months till March this year, increasing the amount of stress loan in the banking sector to BDT 1.11 trillion, which is the largest ever in the country's history.

- The bad loan amount was 11.87% of total disbursed loans in the given month, according to the latest Bangladesh Bank (BB) data. A former Bangladesh Bank governor said that the policies adopted recently by the government and the central bank for banking sector went in the wrong direction. The defaulters were given leverage by these policies. Good borrowers are now feeling discouraged to pay debts.

<https://www.dhakatribune.com/business/banks/2019/07/07/banks-to-form-special-cell-to-monitor-top-defaulters>

Use of certified software a must from September 1: National Board of Revenue (NBR)

- The National Board of Revenue (NBR) has made the use of its prescribed software mandatory for firms with annual turnover of BDT 50 million and above for maintaining records and accounts from September 1. The revenue collector imposed the condition as part of its scheme to implement the VAT and Supplementary Duty Act 2012 through automation of the VAT system. Companies that already use the software will have to apply to the NBR for approval to

use the system, according to the order issued on June 30.

- This is the second time the NBR has set a deadline for firms to use its prescribed software to keep records of transactions and accounts with a view to ensuring that the actual amount of the indirect tax is coming to the state coffers. The NBR had earlier fixed the deadline of January 2019. However, it did not enforce the rule for its delay in finalising the names of eligible firms to make the system. In February, the revenue collector named 11 firms eligible to develop the software.

- Transparency and accountability would be established if enterprises use the software, said a member of VAT policy of the NBR. As they will have to maintain accounts and keep records of their transactions in line with our prescribed format, the scope of confusion and misunderstanding will diminish. The software used by businesses would be connected with a server at the NBR. The NBR in its order said companies that are using the NBR-prescribed software will have to update their systems within this month by incorporating the changes brought in the VAT law for fiscal 2019-20.

- Companies that are not obliged to use the software will also have the freedom to install the prescribed system by procuring it from enlisted developers. The software must have features for full automation of business process in line with the VAT law, which has come into effect from July 1 after a delay of seven years.

<https://www.thedailystar.net/business/news/use-certified-software-must-sep-1-nbr-1768351>
<http://www.newagebd.net/article/77788/use-of-specialised-vat-software-must-for-businesses-from-sept-1>

IPDC to issue rights shares from July 10

- IPDC Finance will make subscription rights offerings from July 10 to 31. The non-bank financial institution will issue an ordinary share against existing two as part of an effort to raise around BDT 1.41 billion from the stock market to strengthen its capital base.

<https://www.thedailystar.net/business/news/ipdc-issue-rights-shares-july-10-1768339>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$56.98	-0.36	-0.63%
Crude Oil (Brent)*	\$63.38	-0.44	-0.69%
Gold Spot*	\$1,419.60	+0.82	+0.06%
DSEX	5,372.21	-12.71	-0.24%
Dow Jones Industrial Average	26,966.00	+179.32	+0.67%
FTSE 100	7,609.32	+50.13	+0.66%
Nikkei 225	21,699.93	+61.77	+0.29%

Exchange Rates

USD 1 = BDT 84.53*
 GBP 1 = BDT 106.34*
 EUR 1 = BDT 95.39*
 INR 1 = BDT 1.23*

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

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