

*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.*

### **Internet banking transactions top BDT 100.00 billion in March**

- The volume of internet-based banking transactions rose by 57.42% or BDT 37.83 billion year-on-year in March as the outbreak of Covid-19 has induced many bank customers to get used to the digital mode of banking transactions. The volume of transactions through internet banking amounted to BDT 103.7 billion in March 2021 against BDT 65.88 billion in the same month of the previous year, according to the latest Bangladesh Bank data. The transaction value in March was the highest after the introduction of internet banking. The amount of transactions in January and February was BDT 85.43 billion and BDT 84.77 billion respectively.
- People started depending heavily on internet banking after the outbreak of Covid-19 in the country began on March 8, 2020 and the subsequent imposition of restrictions on public movement to control the spread of the virus infection. Customers nowadays enjoy access to a wide range of banking services anytime from anywhere by logging into the banks' online platforms or installing specific applications on their smartphones. Utility bill and credit card bill payments, intra-bank and interbank fund transfers, transaction statements, fund transfers to mobile financial service accounts and account opening are among the services which can be accessed through internet banking.
- Apart from the surge in transaction value, the number of clients of internet banking also increased significantly in the last one year. As of March 2021, internet banking clients stood at 34,72,072 with a 31.08-per cent increase year-on-year. In the face of the Covid outbreak, most banks in 2020 introduced mobile banking applications, WhatsApp banking and online account-opening platforms.

<https://www.newagebd.net/article/138640/internet-banking-transactions-top-BDT -10000-crore-in-march>

### **Banks fast embracing cash recycling machines**

- Banks are aggressively installing cash recycling machines (CRMs) to provide faster deposit and cash withdrawal services to clients, a move that is helping customers cut reliance on branches and giving them more freedom to carry out banking. The CRMs are set to make cash deposit machines (CDMs) obsolete, which only allow injecting cash, and replace automated teller machines (ATMs), which permit fund withdrawal, said several bankers. A CRM accepts cash, counts the notes, authenticates them, and credits the amount to accounts on a real-time basis, helping banks do away with the manual labour needed to provide the service.
- The new technology is also allowing users to deposit and transfer cash in others' accounts. In Bangladesh, banks started setting up CRMs in 2017. Until June 30 last year, the number of machines was 272, data from the Bangladesh Bank showed. Since then, more than 550 CRMs have been installed. Today, all the banks have more than 800 CRMs combined, and these machines account for more than BDT 23.00 billion transaction every month. Total transactions through CRMs grew more than nine times to BDT 23.25 billion in March from BDT 2.45 billion in the same month last year. Compared to February this year, transactions grew 41%.
- The importance of the tool has accelerated during the coronavirus pandemic as banks discouraged clients from doing branch-led banking. The number of CRMs will increase manifolds within a year as many banks have taken initiatives to set up the digital tool, bankers say. Islami Bank Bangladesh Ltd, the top lender in the segment, has already set up more than 400 CRMs and will set up another 400 CRMs within the next year. The move aims at reducing clients' dependency on branches, said an official of the lender. The Shariah-based bank introduced the technology in 2019.

<https://www.thedailystar.net/business/banking/news/banks-fast-embracing-cash-recycling-machines-2097725>

### **More IT services, light engineering to enjoy tax exemption**

- The government is extending the tax exemption facility for five new IT sector services in the upcoming fiscal year aiming to take the dream of building a digital Bangladesh one step further. At the same time, tax exemption benefits may be given to the light engineering industry and skills development to reduce import dependence, according to sources in the finance ministry. Currently, 22 IT-enabled services enjoy the tax exemption facility. The five new services are: cloud service, system integration, e-learning platforms, e-book publications, mobile application development services, and freelancing.
- Currently, around 800 software companies are operating in Bangladesh, according to BASIS. Of them, around 250 export ICT goods amounting to USD 800 million to 60 countries per annum. The country generates almost 35% of its revenues from buyers in American and 15% in the UK. Earnings also come from some European countries such as Denmark and the Netherlands, added the US agency.

<https://www.tbsnews.net/economy/budget/more-it-services-light-engineering-enjoy-tax-exemption-249892>

### Companies can spend slightly more on promotion

- The National Board of Revenue (NBR) is going to relax the limit on promotional expenses a little by fixing it at 1% from the existing 0.5% in the next budget to draw foreign investment, encourage new entrepreneurs and give some relief to the fast-moving consumer goods sector. Companies – new and small ones in particular – that need to spend more on promotional activities to drive sales, even if they make a low profit, are suffering the most for the low cap on promotional expenditure. The company's corporate tax at a rate of 32.5% stands at BDT 6.5 million. But the business entity has now found itself in hot water as it expended 6% of its annual turnover on promotion, exceeding the 0.5% allowable tax-free limit.
- According to the National Board of Revenue's Income Tax Ordinance, the promotional expenditure is limited to 0.5% of a company's annual turnover. As a result, the company has to pay an extra BDT 17.9 million. Thus, its total income tax amounts to BDT 24.4 million – which is more than its profit in FY21. Businesses, however, say such a little increase in the cap on promotional activities is not enough for FMCG manufacturers, telecom operators, the apparel industry, pharmaceutical and multinational companies.
- The general secretary at the Bangladesh Foreign Investors' Chamber of Commerce and Industry (FICCI), said companies in the FMCG sector spend 5%-6% of their turnover on promotional activities, which has long been established as a key driver of consumer goods sales. Pharmaceutical companies need to spend more on marketing. Even if the allowable promotional expenditure is increased to 1%, the cost of doing business will still remain high in Bangladesh, he added.

<https://www.tbsnews.net/economy/budget/companies-can-spend-slightly-more-promotion-249883>

### Trading hours increased by 30 minutes at country's stock exchanges

- The schedule for share trading at the two stock exchanges of the country has been extended by 30 minutes to 2pm from tomorrow. The new schedule will remain in force till 30 May. Regular trading hours before the pandemic was from 10am to 2:30pm. The Bangladesh Securities and Exchange Commission (BSEC) took this decision as transaction hours at banks have been raised by half an hour, operating from 10am to 2:30 pm starting tomorrow. Currently, banks have been open for transactions from 10am to 2pm, where regular banking hours were from 10am to 4pm before the pandemic.

<https://www.tbsnews.net/economy/stock/trading-hours-increased-30-minutes-countrys-stock-exchanges-249745>  
<https://www.dhakatribune.com/business/stock/2021/05/23/bourses-extend-trading-hours-from-monday>

### World Stock and Commodities\*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$64.11	\$15.59	32.13%
Crude Oil (Brent)*	\$66.97	\$15.17	29.29%
Gold Spot*	\$1,886.05	(\$9.05)	-0.48%
DSEX	5,787.60	385.53	7.14%
S&P 500	4,155.86	399.79	10.64%
FTSE 100	7,018.05	557.53	8.63%
BSE SENSEX	50,540.48	2,789.15	5.84%
KSE-100	45,914.98	2,159.60	4.94%
CSEALL	7,220.72	446.50	6.59%

### Exchange Rates

USD 1 = BDT 84.77\*  
 GBP 1 = BDT 119.88\*  
 EUR 1 = BDT 103.28\*  
 INR 1 = BDT 1.16\*

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

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