FINANCIAL SUSTAINABILITY REPORTING
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Traditionally organizations—businesses, public sector enterprises, non-government organizations and government bodies are evaluated using financial yardsticks. But an enterprise consumes and generates many other resources (air, water, sunlight, soil etc) and benefits (peace, harmony, the neighborhood etc) which cannot be measured in financial terms. All enterprises affect society in different ways, such as job creation, changing habits, solving problems, increasing or decreasing inequality in wealth, changing power structure etc. No enterprise is neutral to the environment. In most cases it harms the environment by polluting any of the components; air, earth or water. In few cases it plays a positive role towards the environment such as planting trees. Accounting systems are not geared towards depicting these transactions and the effect they have on our environment or for that matter society.

And so, events such as job creation or the carbon-dioxide emission by a factory go largely unnoticed by the accounting systems. This is where Sustainable Reporting plays a major role. Still it is not able to reflect the effect of the enterprise in its entirety. Moreover people are biased towards financial figures. Sustainability reporting forces organizations to think beyond profits. It gives space to two other components namely planet and people in the reporting requirement. Sustainability is defined as meeting present needs without compromising the ability of future generations to meet their needs. As Mahatma Gandhi said “The world has enough for everyone’s need, but not enough for everyone’s greed.”

We have only one earth. We inherited it from our ancestors and we have to leave it as it was or better for our descendants.

Financial reports are indifferent about the effect of a milk processing plant or an ammunition factory on society or an organic farm or a mine extraction company to the environment.

Financial figures do not capture the effect of any of these on the environment and look at merely the returns on dollars invested. If earning per dollar of an ammunition factory is higher than a milk processing plant, which project should society encourage? How to discount the social effects of an ammunition factory in the formula? What premium should we put for nutritional benefits generated by a milk processing plant? Mere dependence on financial statements does not provide the right answer. Sustainability reporting gives signal, to some extent, to the stakeholder. But financial reports dominate our decision making process because profit motivates us directly. Environment and society are sidelined, as still they are not covered by the financial reporting system. And thus the need of the hour is to include these two, i.e. environment and society, in our reporting format so that stakeholders may see how an organization impacts upon and benefits from them.

Shawkat Hossain FCMA
This discussion is based on **Maturity Model** designed for the development of Professional Accounting Organizations (PAOs) in Line with CAPA and IFAC.
## Sixteen Key Success Areas (KSAs)

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<tr>
<th>Characteristic</th>
<th>Key Success Areas</th>
<th>Description</th>
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<tbody>
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<td><strong>SUSTAINABILITY</strong></td>
<td>Legal &amp; Market Recognition</td>
<td>An acknowledged reason to exist</td>
</tr>
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<td></td>
<td>Governance</td>
<td>Oversight, direction and control arrangements</td>
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<tr>
<td></td>
<td>Funding &amp; Business Model</td>
<td>A strategy and plans for long-term viability</td>
</tr>
<tr>
<td></td>
<td>Infrastructure &amp; Management</td>
<td>Appropriate systems, processes and people</td>
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<tr>
<td><strong>RELEVANCE</strong></td>
<td>Membership</td>
<td>Criteria for admission and levels of membership</td>
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<td></td>
<td>Member Involvement</td>
<td>Member needs and views understood</td>
</tr>
<tr>
<td></td>
<td>Standards</td>
<td>International technical standards adopted and implemented</td>
</tr>
<tr>
<td></td>
<td>Public Interest</td>
<td>Generates benefits for all society</td>
</tr>
<tr>
<td><strong>PROFESSIONALISM</strong></td>
<td>Ethics</td>
<td>Established standards of conduct for professionals</td>
</tr>
<tr>
<td></td>
<td>Quality Assurance</td>
<td>Standards for delivering services to the public</td>
</tr>
<tr>
<td></td>
<td>Investigation &amp; Discipline</td>
<td>Maintains standards of membership</td>
</tr>
<tr>
<td></td>
<td>Professional Qualification</td>
<td>Established required-competency benchmark</td>
</tr>
<tr>
<td><strong>MEMBER VALUE</strong></td>
<td>Continuing Professional Development</td>
<td>Supports member competency</td>
</tr>
<tr>
<td></td>
<td>Member Services</td>
<td>Responds to member needs; provides value</td>
</tr>
<tr>
<td></td>
<td>International Relationships</td>
<td>Internationally connected and continually improving</td>
</tr>
<tr>
<td></td>
<td>Advocacy &amp; Influence</td>
<td>Recognised voice on topics of relevance</td>
</tr>
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## FIVE levels of maturity

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<thead>
<tr>
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<th>Description</th>
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<tbody>
<tr>
<td>1. Ad hoc or no practices</td>
<td>There is no, or limited, recognition of the KSA.</td>
</tr>
<tr>
<td>2. Informal practices</td>
<td>Awareness of KSA and requirements exists. Reliance is placed on individuals to intuitively carry out activities that support this KSA.</td>
</tr>
<tr>
<td>3. Good practices</td>
<td>The KSA and requirements are understood, although with less understanding of best practice. Basic processes are in place to acknowledge requirements and deliver basic outcomes. Aim is to achieve minimum requirements.</td>
</tr>
<tr>
<td>4. Strong practice</td>
<td>There is a full understanding of the KSA and benchmark requirement. The activities and outcomes are clearly defined and clearly owned. Standard processes are in place and are improved through internal review. Limited processes to enable continuous improvement to external best-practice levels are in place.</td>
</tr>
<tr>
<td>5. Best practices</td>
<td>There is an advanced and forward-looking understanding of the KSA and benchmark requirement. Processes are leading-edge and based on external best practices. External experts are used to leverage expertise. Regular monitoring and self-assessment is in place as well as processes to adapt quickly to new practices and requirements</td>
</tr>
</tbody>
</table>

## Self Assessment (ICMAB)

| Governance | ICMAB Organogram, Meetings (Standing and other Committees), Composition of Councilors, Council Meeting, Stakeholders Relationships, Annual General Meeting |
| Funding & Business Model | Membership Fees, Students Tuition, Market Driven Training and Consultancy, Revenue generating programs, Sponsorship |
| Infrastructure & Management | Effective HR, Class Room Facility, E-learning, E-Portal for members, Physical Facility Development |
| Membership | Membership criteria, Admission Criteria |
| Member Involvement | Members’ Engagement through different Committees, Discussion Session, Mentorship Program, AGM |
| Standards | BCAS, IFRS, IAS |
| Public Interest | Cost Audit, Social Service, Integrity, Fairness |
### Self Assessment cont..

<table>
<thead>
<tr>
<th>Professionalism</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethics</td>
<td>IFAC Code of Ethics, ICMAB’s Code of Conduct</td>
</tr>
<tr>
<td>Quality Assurance</td>
<td>Quality assurance board, Cost audit assurance board, Review existing education system for improvement</td>
</tr>
<tr>
<td>Investigation &amp; Discipline</td>
<td>Have codes for I &amp; D</td>
</tr>
<tr>
<td>Professional Qualification</td>
<td>ACMA, FCMA (Mother Qualification) Value Addition through: CIMA &amp; CIFFA New Recognitions</td>
</tr>
<tr>
<td>Continuing Professional Development</td>
<td>Quality CPDs, Seminar, Workshop, Training etc.</td>
</tr>
<tr>
<td>Member Services</td>
<td>Consultancy Cell, Members Professional Service on Technical Matters, Funds for Members Assistance, Financial Supports to Family of Members, Placement Cell, Cost Audit Support Service on a Project based</td>
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<tr>
<td>International Relationships</td>
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### Action Plan cont..

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<th>Sustainability</th>
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<tbody>
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<td>Infrastructure &amp; Management</td>
<td>Future Campus (Purbachol), Expansion of existing building (Dhaka, Ctg, Khulna and Rajshahi), New Branches and Coaching Centers, Succession Planning (Strategic Plan, Branding Policy), Robust HR Plan (Recruitment, Training, Performance), Continue on-going projects / activities</td>
</tr>
<tr>
<td>Member Involvement</td>
<td>Mutual Recognition, Admission Criteria, Academic Excellence (Education and Examination), Virtual Class Room, E-library, Mentorship Programme, Arrangement of Credit Transfer for Knowledge level students with Universities</td>
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<tr>
<td>Member Involvement</td>
<td>More opportunities for members (Home and Abroad), Capacity building for practicing members (Cost audit, Management audit, Transfer Pricing, Corporate Governance Audit etc.), Accounting BPO (Training and Implementation), Capacity development of members, Training for members, Young members empowerments, Women members empowerment, Research and Development</td>
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<td>Revised I &amp; D under review</td>
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<td>Strengthening Administrative Capacity of ICMAB as per New ICMAB Act, Operational Activities are separated from the Council, Stakeholder Relationship, AGM, New Election System, New Service Rule for employees, On line Service delivery system of the institute</td>
</tr>
<tr>
<td>Member Involvement</td>
<td>Strengthening financial sustainability of the institute, Government Subsidy, Students Fees, Members Annual Subscription, Surplus from Value added programs</td>
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### Action Plan: At a Glance

1. **Widening Cost Audit and Other Practicing Horizon** through capacity building of members
2. **Branding CMAs and Promoting CMA Profession** to attract talented graduates towards the profession
3. **Enhancing International Collaboration** – Going Global to cater opportunities everywhere
4. **Academic Excellence** for producing world class professionals
5. **Members’ Capacity Building** to serve the society better
6. **Young Members’ Empowerment**
7. **Women Members’ Empowerment**
8. **Governance** to ensure transparency and accountability
9. **Members’ Welfare** as a reflection of brotherhood
10. **Service Delivery System** of the Institute to serve the stakeholders better
11. **Social Branding** for wide recognition and acceptance
12. **Representation in Regional and International Accounting Forums** to ensure proud existence everywhere
13. **Conducting Research and Development** for the betterment of the society
14. **Strengthening Financial Sustainability** of the Institute through ensuring financial discipline
15. **Continue on-going Projects/Activities** as a part of strategic focus of the institute
Abstract
Sustainability is both an environmental issue and a multifaceted factor that considers socio-economic performance and issues include human rights, labor practices, society, governance, products and services, community, and corruption. A sustainable world economy should not be deemed a luxury. The absence of a sustainable model for business causes environmental and social factors to continue bearing a justifiable impact on the economy and compromising our future demands. Not only the planet but also the society requires a sustainable economy of the world. Similarly, organizations require long-time strategies for success in the first place. How should it begin to occur? The adaptability to a sustainable economic setup needs to see organizational changes that require the setting of specific goals and appropriate steps as to its movement ahead. The study contributes to the social disclosure literature; in particular, developing countries financial sector context seeing as it disseminates evidence of the standing on social disclosures practices at the level of GRI Bangladesh perspective and international experience.

Keywords: Sustainability Reporting, Global Reporting Initiative, Bangladesh, International Experience.
Introduction
A variety of frameworks or models such as the GRI, the 2000 WRI (World Resources Institute), and the ISO 14001 (Internationally Standards Organization) for reporting corporate social responsibility (CSR) are recognized as the reporting tools for a corporation's social responsibility performance (Reynolds and Yuthas, 2007). Despite, the GRI framework is still considered as the most inclusive framework (Willis, 2003) that follows widespread uses as an underlying framework to dictate the coding rules critical to the content analysis of annual reports for countries, including both the developing and developed. GRI guidelines within financial institutions focus on promoting the financial sector’s key responsibility of enhancing sustainable development. The triple bottom line is the foundation of the GRI (Elkington, 1997) which introduces a reporting and social accounting framework offering a detailed sustainability reporting system using a global, multi-stakeholder process.

Background of the Study
The 21st century is on the eve of a prototypical shift in the existing reporting standards. Social awareness and global environment are changing significantly and giving challenges to organizations which are to take care of more than just financial performance to facilitate their business. Entrepreneurs are now realizing the need for integrating environmental and social affairs within their business strategies (Kumar and Devi 2015). With the growing concerns about the environment and social issues worldwide, multinational banks, corporations, and financial institutions consider sustainability reporting as a mainstream activity.

Literature review
The literature review chapter opens with a discussion on research that explains the theoretical underpinnings of the sustainable banking approach and its practical applications. This is followed by a discussion on the interpretation and implementation as well as Summary of Relevant Articles of sustainable banking in the context of Bangladesh and world.

Throughout the past decade, the number of organizations that provide environmental information is on the increase (Deegan and Gordon, 1996; Kolk, 2003; KPMG, 1999, 2002; Peck and Sinding, 2003). Nieminen and Niskanen, (2001; Russo and Fouts, 1997). Otherwise spoken, there has been an emphasis on the characteristics of the companies reporting environmental information and the correlation between financial performance and such reporting. The next stream of research is about the content of the reporting, or what is actually being reported (e.g., Guthrie and Parker, 1990; Niskala and Pretes, 1995). The third stream, which is relatively new, deals with the “how” or the reporting medium. Most of the studies under this stream look (Gordon, 1996) next phase of reporting.

Business Today (Anonymous, 2001) conducted a comprehensive survey of the environmental practices of India’s largest companies. Approximately, 42% of those companies procured ISO 14001 certifications, 60% maintained environment departments separately, 94% had environmental objectives in place, 70% maintained internal environmental audit systems, and 60% had facilities for environmental reporting systems. The senior environmental officers submitted their reports directly to the CEOs in around 40% of the companies. Corporations have changed the way they report environmental information. Although in the past, corporations used annual reports to impart such information. (Branco, 2006). IFC (2007) found that: (a) individual banks were required to devise their individual business case for maintaining sustainable banking, (b) many banks integrated sustainability primarily due to reputation and branding ambitions (c) the benefits outweighed the costs and social and environmental risk management improved the quality of a bank’s portfolio and lowered insurance liabilities and compensation claims. Douglas (2008) found four key findings: (a) banks are increasingly discussing climate change business opportunities in their annual reports, (b) twenty-eight of the forty banks have calculated and disclosed their greenhouse gas emissions from operations, (c) growing demand for climate-friendly financial products and services is leading banks into new markets, and (d) investment banks have taken a leading role in supporting emissions trading mechanisms and introducing new risk management products. Other findings indicated that the Equator Principles contribute to long-term sustainable investment. (Evangelinos, 2009). They have low compliance level with the Global Reporting Initiative (GRI) and the Deloitte Touche Tohmatsu (DTT) guidelines, scoring less than 50% by each scoring system (Evangelinos, 2009).
Sustainability
Sustainability involves the economic, environmental, and social policies and subsystems within the global setup, in which the existing needs are satisfied without having to affect the future generations’ ability to satisfy their requirements. Two distinct words, such as ‘Sustain’ and ‘Ability,’ make the word ‘Sustainability’. The meaning of the word, in the fundamental and original sense of the term, is: “the ability/capacity to sustain.”

Sustainability Reporting
An organization can accept Sustainability Reporting as a pivotal tool to set its goals, track progress and handle sustainability. Sustainability Performance Reporting of an organization may provide both internal and external stakeholders an understandable idea of the impacts while increasing the expertise and improving their performance. Such reporting lets the organization step towards a prosperous, sustainable future. The daily activities of organizations cause different effects pertaining to the social, economic, and environmental areas. A sustainability report is, in a word, the record of these impacts. Such a report also presents the values and governance model of the organization and illustrates the correlation between its policies and commitment to a sustainable global economy. Different names can be given to sustainability reporting, such as triple bottom line reporting, non-financial reporting, CSR reporting, and more.

Why sustainability reporting
As per the definition of GRI, “a sustainability report enables companies or organizations to report their sustainability information in a method that is almost identical to the one used for financial reporting. Sustainability reporting, if it is systematic, provides comparable data along with relevant metrics and agreed disclosure.”

Many organizations are found to include their social and environmental information in public reports to address the stakeholders’ demands for additional information in order that well-informed decisions can be made on an organization’s performance. Organizations (commercial institutions, schools, NGOs, and SMEs) are opting to report their sustainability approaches for multiple reasons. A useful sustainability reporting cycle should help all reporting organizations.

What is GRI
The GRI is an organization with the top priority when it comes to sustainability. GRI suggests organizations to adopt sustainability reporting as a way to become more sustainable and contribute to sustainable development. A sustainable global economy should combine long-term profitability with ethical behavior, social justice, and environmental care. It means that when companies and organizations consider sustainability — and integrate it into how they operate — they must consider four key areas of their performance and impacts: economic, environmental, social and governance.

Structure of GRI
The Global Reporting Initiative (GRI) is a global nonprofit organization incorporating a networked structure and a Collaboration Centre of the United Nations Environment Program (UNEP). GRI’s Board of Directors is to take the ultimate responsibility for the GRI.

Scope of the work of GRI
GRI operates within an open global network comprising all people and organizations with enthusiasm in sustainability reporting. This synergetic network includes representations from different corporations, governments, consultancies, business associations, accountancy organizations, rating agencies, research institutes, universities, and other non-governmental organizations. They contribute to the ongoing progression of the Sustainability Reporting Framework of GRI.

Sustainability Report: who will prepare
Companies, organizations, and institutes of all sectors, sizes and types based in any corner of the world, may create sustainability reports. All companies or organizations can use GRI’s guidance that can contribute majorly to building the future of organizational reporting. Thousands of companies and organizations in all segments have managed to publish reports that contain the disclosures explained in the GRI Sustainability Reporting Framework and Guidelines. At present, public authorities along with non-profits are also remarkable reporters.
Sustainability Reporting with GRI Bangladesh Perspective

Now, sustainability reporting has become a mainstream activity among the financial institutions globally, but most of the banks in Bangladesh are not practicing the reporting system known as Independent Sustainable Reporting (ISR). Sustainability reporting is a method of reporting as regards to an organization’s social, economic, and environmental performance. Each bank has to publish the reporting following the international standard of Global Reporting Initiative (GRI), but none except a few are abiding by the rules.

A recent survey of Bangladesh Institute of Bank Management (BIBM) disclosed the information at a seminar on “Sustainability Reporting Practice in Bangladeshi Banks” and “Fund Transfer Pricing in Commercial Banks in Bangladesh.” Among 59 scheduled banks, only three – Prime Bank, Bank Asia and Mutual Trust Bank – published the sustainability report independently following the guidelines of GRI. Bangladesh Bank released a circular focusing on green banking in February 2011 that directed all banking organizations to build sustainability reporting system in accordance with the global standard by December 2013. Only seven followed the central bank’s instruction of which three completed the sustainability reporting independently in 2015. The GRI guidelines on sustainability reporting bank’s performance on 16 issues including employment, health and safety, management relationship, education and training, equal opportunities and diversity, remuneration regardless of gender, and grievance according to GRI direction. Here 96 percent inter-branch transactions are managed through manual transfer processing while only 4 percent transactions are happened through online calculator, 58 percent inter-branch transactions are dealt without following any guidelines. Sustainability reporting target would not be achieved without skill development of the bankers. The banks should follow GRI guideline in annual reporting and should present it at AGM for review. In Bangladesh, the banking sector is believed to be established in an industry that is relatively environmentally friendly (with regards to carbon emissions and contamination). Nevertheless, environmental impact from banks is related to customers’ activities rather than the activities of themselves. Banking sector has been one of the vital sources for investment for most commercial projects that are some of the most critical economic activities to bring in economic prosperity and encourage investment and appropriate loans which are environmentally responsible.

Bangladesh Bank published a circular on Green Banking Policy Guideline on 27 February, 2011 (BRPD Circular No.2) suggesting, “to adopt a comprehensive Green Banking Policy in a formal and structured manner in line with the global norms so as to protect environment degradation and ensure sustainable banking practices.”

Green Banking involves two branched initiatives: Green banking emphasizes the green adoption of the internal activities of banks/FIs, and all banks/FIs are to use automation, renewable energy, and other steps wisely and thoughtfully to minimize* carbon footprint (*an estimate of the impact of climate change due to activities, such as leading a lifestyle, running a company, or making a product) from banking activities. Secondly, all banking organizations should adopt financing methods that are environmentally responsible; measuring environmental factors and risks of projects before any financing decision, and in particular support for the development of ensuing ‘green’ projects and initiatives. As in BB’s circular, green banking comprises three phases, and banks ought to create sustainability report based on the standard format with a solid external verification under the GRI guidance.

First sustainability report in banking sector under GRI G4 in Bangladesh

Prime Bank Limited has become the pioneer with foresight in public announcing its pledge to sustainability by releasing the maiden G4 Sustainability Report in Bangladeshi banking sector in March 2015. Prime Bank has accomplished the ‘Materiality Disclosure Service’ and received permission to adopt ‘Materiality Disclosure Service Icon’ from the GRI, the Netherlands, and the first time in Bangladesh.

Sustainability Reporting and Bangladesh

In Bangladesh, no study on the effects is conducted although some companies and banks have already attempted to make their sustainability report and receive outstanding global recognition by now. To assist, develop, measure and report the implementation of CS, Bangladesh has the need for an organization that is independent with the vision and pledge to
implement and develop sustainable development by dint of sustainability reporting process.

**Sustainability Reporting in Bangladesh: Legal Status**

In the last several decades, environmental pollution has emerged as a common issue in Bangladesh. The country’s major rivers are located in vulnerable conditions, and in the capital Dhaka; the Buriganga River, the only river within the capital city, is highly contaminated. The city suffers air pollution that leads to an alarming situation. In 1989, the Ministry of Environment and Forests was established, and Bangladesh Government is having a strong focus on the environment mainly due to the ongoing pressure from stakeholders, including both regional and global bodies. In 1995, UNDP started offering its support to a National Environmental Management Action Plan; in that year, Bangladesh Environmental Conversion Act, 1995 was formally declared. New industries have been established by the Act. These industries have to collect clearance from the Environment Department. The companies are required to disclose relevant information when asked.

**GRI Reporting Principles**

The GRI reporting principles are supposed to guaranteeing that the reports would provide an authentic presentation of the reporting organization’s economic, environmental and social status. The principles are further expected to accelerate timed comparability between several organizations. The reporting principles identified by the GRI are considered critical to the production of a balanced and credible account of the economic, environmental, and social performance of an organization. According to the GRI Guidelines, stakeholders are entities/individuals that are expected to be affected significantly and reasonably by the activities and products or services of the organization. According to the GRI Guidelines, stakeholders are entities/individuals that are expected to be affected significantly and reasonably by the activities and products or services of the organization.

The **GRI reporting principles can be illustrated with the following diagram**

The Financial Services Sector Supplement (FSSS) has been developed covering G3 Guidelines with three additional groups of information. The first group includes sector-specific commentary on the current G3 Guidelines. The second group covers commentary on the performance indicators of the existing G3 directions. The third one presents an entirely new collection of sector-specific disclosure on performance indicators and management approach. The introductory section is the principal element of the first information group. To create the FSSS, the financial sector has been categorized into four parts, such as commercial and corporate banking, retail banking, insurance and asset management.

The outline of each category’s role and definition has been given in the following diagram.
Sustainability Reporting with GRI: World Perspective

The financial sector is necessarily the set/combination of organizations, tools, and the regulatory framework which allows transactions through incurs and settlement of debts by expanding credit. The financial system facilitates the separation of the wealth ownership from the grasp of the physical capital. FIs maintain the financial sector that has a crucial role to play in promoting sustainability reporting. A wide variety of organizations that manage the finances are encompassed by financial services that have a pivotal part in shaping the overall environmental activities of different other industries. If the need for sustainability reporting is recognized by financial services, the agenda of global sustainability will be hindered rather than advanced.

Although GRI reporting has a slow start in the beginning of the 21st century, the adoption of the reporting within the financial services has experienced a significant raise in recent years. It is clearly evident that the second guidelines set in 2002 (G2) was the catalyst and major contributor of the increase in the GRI reports number released by the financial services. A steady growth has been noticed after 2002. While the data collection process from 2009 is still in use, an increased 150 financial services will report their sustainability issues following the GRI Guidelines.

GRI reporting in 2008 from financial services can be viewed closely by first considering the geographical expansion. Financial services representing 35 countries report their sustainability issues adopting GRI. The diagram below presents the number of reports released by countries.

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Since 1999, Global Reporting Initiative has been listing all GRI sustainability reports to follow the sustainability reporting spectrum today. The list is maintained and updated weekly considering the reporting organizations, general processes of searches and application level checked reports. Although GRI aims at providing correct information in its reports list, it disavows its responsibility for the completeness and accuracy of the information put in the list. However, GRI happens to correct any errors if detected or brought to the attention. A time-related context can be used to compare the use of GRI in the financial services. The diagram below presents the number of GRI sustainability reports released by financial services from 1999 to 2008:

Although GRI reporting has a slow start in the beginning of the 21st century, the adoption of the reporting within the financial services has experienced a significant raise in recent years. It is clearly evident that the second guidelines set in 2002 (G2) was the catalyst and major contributor of the increase in the GRI reports number released by the financial services. A steady growth has been noticed after 2002. While the data collection process from 2009 is still in use, an increased 150 financial services will report their sustainability issues following the GRI Guidelines.

GRI reporting in 2008 from financial services can be viewed closely by first considering the geographical expansion. Financial services representing 35 countries report their sustainability issues adopting GRI. The diagram below presents the number of reports released by countries.

Although the graph represents every continent of the world, European countries are dominant when it comes to the GRI based reporting of the financial services.
The number of reports released by Spain is quite remarkable. One of the primary reasons is the number of banks operating in only a communal area or city. Still, there has been a considerable amount of interest in GRI based sustainability reporting among the Spanish financial services. Some minor banks have been reporting quite extensively.

Implementation of Sustainability Reporting: The Challenges

Awareness: Many accountants do not regard sustainability as a relevant part of their job. Therefore, the first step should involve the development of awareness about the professionals’ crucial role and supply of further resources and provision for training at all levels so that they can incorporate these matters into works.

Quantifying the Qualitative: Many difficulties are involved in the estimation of the costs of different environmental and social matters across the complete lifecycle of a particular product or process. Banks and other financial organizations sometimes face more difficulties in this regard.

Transition from costs to revenues: Environmental values and initiatives need to be viewed differently and should not be viewed as just costs to be reduced or suffered whenever possible. Companies have to determine the benefits, and practically profits, that ultimately correspond to the expenditure that need to be incurred for better social and environmental performance.

Consumers: Responsible companies are to work alongside competitors that often set the prices of their products below the production costs, discounting the environmental and social costs. Sometimes, companies that set the price of their products/services determining social and environmental costs are likely to suffer unless consumers take this into their purchasing considerations.

Traditional accounting systems: Traditional accounting system does not allow environmental data, such as waste management, compliance with insurance or laws to be separately evaluated or identified. More reliable data, information collection system and methodologies are required to integrate these factors into the final decision.

Assets vs. Costs: In accordance with traditional accounting systems, end-of-pipe technologies used for reducing environmental impacts have been accounted for assets, while efforts to diminish pollution sources seem to be costs. Similarly, investments made for development and training are accounted for costs, while the collective experiences and knowledge are not considered and recorded as an asset.

Short-term vs. long-term: Accounting practices and mentality need to be shifted to concentrate more on the long-term effects. This is quite the opposite to the likely short-term consequence of decisions. The major challenge is to incorporate less tangible and longer-term social and environmental costs into balance sheets instead of measuring short-term merits with tangibility.

Information not tracked adequately or not available: Oftentimes, the available information is not precise or detailed enough to be in use for decision-making. The information is not always collected but stored in the different divisions of the company without the accountants’ knowledge.

Comparability of data: Disclosures on sustainability matters are often difficult and inconsistent. So, the disclosures cannot be compared across a single industry. All sectors are familiar with several sustainability threads that should be consistently reported throughout industries.

Sustainability Reporting: The Future

Governments in different countries have already followed remarkable measures to set sustainability reporting a legitimate and standard practice to achieve sustainable development. Several thousands of organizations across the world are currently preparing reports of their performance in socio-economic and environmental areas, indicating that sustainability reporting is helpful and adds value.

Bangladesh Government needs to encourage all businesses and other organizations making them believe that they will gain access to the vital information that their executives need to manage risks and find sustainable opportunities if they consistently report their complete performance on sustainability. Government has to develop and introduce a uniform reporting practice for organizations to prepare their sustainability reports for making a level playing field, ensuring transparency, bringing innovation, maintaining flexibility, applying better regulation and making progress towards sustainability.
**Recommendations for the way forward**

**Raising Awareness:** Proper initiatives need to be taken to build awareness among stakeholder communities, both at the firm and sector levels. This would result in increased stakeholder engagement and positive strategic commitment of the higher management, mandating sustainability and ensuring transparent and credible disclosures.

**Industry commitment:** Industry ought to demonstrate operational and strategic commitments to sustainable business practices for a long term. Realization of the potential benefits is essential for them as they redesign business processes and parameters for success and performance measurement.

**Capacity Building:** In-house capabilities need to be developed for the assessment of the impact of operations objectively and the measurement and monitoring of such capabilities, as strategies of mitigation are implemented. Institutions for education and training are now required to refine their programs including sustainability as an independent discipline. As a country, Bangladesh needs to focus on the linkages between the industries and universities to build an institutionalized knowledge base.

**Synchronization of Reporting Guideline with Local Organizations:** Within Bangladesh’s existing local corporate structure, there is little flexibility to explain materiality disclosure with the company’s other indicators as per the GRI guidelines. In the country’s context, a synchronization of GRI framework is required in all sectors, especially in the small and medium enterprises.

**Government’s Initiative:** The country’s government can perform a catalytic role by ensuring faster sustainability taking policy initiatives to pave the right way immediately for sustainable development and a sustainable society.

**Civil Society:** Individuals residing within the civil society are always regarded as the think tanks of development, and sustainability is a very interesting topic to most of them. Therefore, their expertise, remarks, recommendations, and efforts can be utilized to foster the adoption of the globally acclaimed sustainability reporting practice.

**Conclusion**

The issues associated with product responsibility and human rights remain unaddressed in the sustainability aspects of banks. Similarly, banks adopted a small number of GRI G3 in practice, but their inclination to abide by FSS based GRI guidelines is very low. However, some practical inferences of sustainable reporting with GRI have been explored in this study. In global perspective and Bangladesh context, it has a very limited scope that, however, ultimately could call for upcoming research.

In the 21st century, sustainability reporting is emerging as a common practice for businesses. Sustainability disclosure has become the best practice followed by companies across the world today although it once used to be practice of a handful of community-oriented or unusually green companies. With a focus on sustainability, organizations can manage their environmental and social impacts while improving natural resource stewardship and operational efficiency and letting it remain a critical component of employee, shareholders and the relation with them.

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Is Sustainability Reporting in Public Sector a Fashion or Legitimation? 
An Isomorphic Interpretation

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Abstract
Sustainability Reporting (SR) becomes a predominant reporting framework over the last few decades before integrated reporting is peeping into the window and submerging the reporting landscape. The sensation is that the users are tired of numbers and they want to see new dimensions and dreams in reports. Private sectors of Bangladesh have demonstrated an enviable progress in this regard not only within the country but also in South Asian region. Undoubtedly, SR begins its journey with corporate sustainability reporting, however, by the time we observe a successful journey of SR from private to public sectors globally. Public sectors are directly involved with the process of ensuring ecological, environmental and social sustainability. This paper theoretically explores the potentials of public sector organizations for SR under New Institutional Sociology (NIS) Theory of DiMaggio and Powell (1983). The graduation of Bangladesh to developing nation and the target to become developed nation by 2041 brings additional strain mostly on public sector to achieve all the targets set in Sustainable Development Goals (SDGs). It is the motivation of this paper to give some policy insights so that public sector organizations can start SR for ensuring long term sustainability amid of economic, political and social instability.

Keywords: Sustainability reporting, public sector, new institutional sociology, isomorphism, Bangladesh.
Introduction

Traditional reporting, largely based on reporting financials of corporate, has undergone significant changes due to the revised needs of stakeholders putting more priority on reporting non-financial data stretching from environmental to social perspectives in a broader governance framework. Recent research on social and environmental reporting has focused on corporations, rather than public sector agencies (Farneti and Guthrie, 2008). However, the emergence of new public management (NPM) has changed the philosophical background of managing public sector. Both NPM and International Public Sector Accounting Standards (IPSAS) bring private sector practices into public sector to ensure more transparency and accountability. Public sector entities are central to the delivery of sustainable development, and every aspect of their role shapes how people live their lives. This, together with the fact that they are under constant and growing pressure to operate in an environment friendly and sustainable manner, and to show their stakeholders that they provide good value for money, highlights the need for open, honest and reliable sustainable reporting to public sector stakeholders (Marx and Van Dyk, 2011).

Public sector organizations (PSOs) are defined as any organization under government control that develops public goods or services, according to the classification of the functions of government (OECD, 2015). They are major employers, providers of services and consumers of resources (GRI, 2005) associated to significant aspects and impacts in the sustainability of the organization. The public sector influences all other sectors given their size and related activities (Ball and Grubnic, 2007). The current environmental challenge of climate change, the overconsumption of natural resources, and social concerns around income inequality and worker health and safety are some sustainability concerns faced by businesses globally (Brockett and Rezaee, 2012a; KPMG, 2013).

In SR, there is a mix of both mandatory and voluntary standards for reports (GRI et al., 2013) across different jurisdictions. Mandatory policies, often called hard law, aim at overcoming societal critiques of the private sector, and enhancing the comparability of corporate performance (Sulkowski and Waddock, 2014). Voluntary standards create incentives for companies to report, as a way to establish competitive advantage (Buhr, 2010). Moreover, despite reporting rates of 93% among the G250, the rate of SR increase is beginning to slow (KPMG, 2013; Morrow and Yow, 2014).

Considering the issues raised above, this paper puts an earnest effort to explore the potentiality of sustainability reporting by the public sector organizations in Bangladesh. Private sectors of the country have already made it a norm. The Government of Bangladesh is in pressure to achieve targets set in Sustainable Development Goals without hampering the ecological and environmental balance. And public sector organizations across the globe have already demonstrated their commitment in sustainability journey. This sector is very important in achieving Sustainable Development Goals (SDGs). Bringing the theme from New Institutional Sociology (NIS), this paper explains the necessity of SR by public sector organizations under NPM regime. A rich literature review, archival analysis, and personal inquiry into the area guide the researchers to develop the main theme of the analysis. The study concludes that sustainability reporting by public sector entities is still in its infancy in Bangladesh, and that such reporting is very important for ensuring sustainable operations by both public and private sectors.

Theoretical Framework

Application of institutional theories in reporting is very common due to the impact of institutional factors in shaping accounting and reporting norm in particular setting. Although institutions cannot be uniquely defined, for this purpose the definition could be: ‘a way of thought or action of some prevalence and permanence, which is embedded in the habits of a group or the customs of a people’ (see Burns and Scapens, 2000). According to Hussain and Hogue (2002) and Scapens (2006) there are three different versions of institutional theory, namely, Old Institutional Economics (OIE), New Institutional Economics (NIE) and New Institutional Sociology (NIS). OIE assumes considerable uncertainty in the range of alternatives available to agents and in the possibility that agents can evaluate these alternatives in time. NIE differentiates itself most from other approaches as it retains a notion of bounded rationality and it assumes (limited) economic optimization ‘through economizing on transaction costs’.

Whereas NIE uses the concept
of institutions in relation to transaction costs, OIE emphasizes the enabling and constraining qualities of institutions. NIS also deals with institutions, but it treats them largely as a given. Moreover, the processes of institutionalization over time are not well developed by NIS. Instead, its focus is primarily on how and why firms conform to institutionalized beliefs in society. While institutions are an integral part of organisational life in the view proposed by OIE, the view held by NIS treats institutions as largely exogenous to the firm. This study develops the theoretical framework based on NIS within institutional theories.

NIS addresses the behavior of organizations as motivated by forces in wider society. It argues that organizations will seek legitimacy by adhering to rules and norms that are valued by society and, more specifically, by certain institutions in society. The mechanism through which organizations adopt similar procedures is termed institutional isomorphism. Isomorphism is a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions (DiMaggio & Powell, 1983). DiMaggio & Powell (1983) distinguish three mechanisms of institutional isomorphic change: Coercive isomorphism, Mimetic isomorphism, and Normative isomorphism. These three mechanisms cause organizations to become increasingly alike. Therefore, one can argue that NIS is more a theory that explains similarities amongst organizational structures than change in organizations (Greenwood & Hinings, 1996).

Coercive isomorphism relates to the formal and informal pressures that result from coercive authority. This coercive authority comes from the organization’s dependency on other organizations and the cultural expectations in the society in which the organization functions (DiMaggio & Powell, 1983). A second process leading to institutional isomorphism is called Mimetic Isomorphism. DiMaggio & Powell (1983) argue that uncertainty is a powerful incentive for imitation. In particular, ambiguous goals, poorly understood technologies or symbolic uncertainty may cause organizations to model themselves on other organizations. The introduction of Japanese management techniques in US firms constitutes an example of changes caused by mimetic isomorphism. The third source of isomorphic organisational change is normative isomorphism. It stems from pressures from professionalization. DiMaggio & Powell (1983) argue that two aspects of normative isomorphism are of particular interest: (1) the grounding of formal education and of legitimation on a cognitive base produced by university specialists; and (2) the growth and influence of professional networks that allow new practices to be diffused rapidly across organizations.

One of the criticisms of NIS theory is that it often dichotomizes between the public and the private sector organizations, arguing that institutional and market pressures are mutually exclusive and each set of pressures is confined to a particular class of organizations. It is assumed that the former are subject to institutional pressure, whereas the latter are shaped by competitive market pressures. Researchers using this theory have emphasized mostly on non-profit organizations and public agencies such as schools, universities, hospitals and voluntary associations. Based on this criticism, this paper brings a policy intervention as a recommendation for practicing SR in public sector organizations.

**Research Methodology**

Considering the research objective and theme, a qualitative research methodology is applied based on secondary sources of Data. A personal inquiry into the efficacy of sustainability reporting is attempted through reviewing relevant research papers, analyzing the contents of archival records, surfing the websites of public sector organizations and looking into the published accounts in some public sector organizations. Application of new public management to some extent in public sectors is the main motivation behind the analysis. New Institutional Sociology is used as the theoretical framework of the study to analyze institutional isomorphism in different categories, namely, coercive, mimetic and normative. An earnest effort is deployed to provide some policy recommendations for public sector organizations to ensure accountability and transparency to the society through sustainability reporting while they are working to achieve sustainable development goals.
Sustainability Reporting

The concept of sustainability is originated in the fields of biology and ecology. In these fields, the term sustainability is used to describe the rate at which renewable resources could be extracted or damaged by pollution without threatening the underlying integrity of ecosystems (Vos, 2007). The concept is now widely used in business and management literature, as well as by policy-makers and engineers (Vos, 2007). The Brundtland Commission produced what has become the most-cited definition of sustainability describing sustainable development as development that meets the needs of the present without compromising the ability of the future generations to meet their own needs (WCED, 1987). The Brundtland Commission was also the first to articulate the sustainability model known as the ‘Three Es’. This model stated the importance of evaluating any proposed initiative with reference to the interaction of ecology/environment, economy/employment and equity/equality (Edwards, 2005).

Sustainability reporting can be broadly defined as the process of identifying, classifying, measuring, recognizing, and reporting performance in all areas of economic, governance, social, ethics, and environmental (Brockett and Rezaee, 2012b). This definition is quite all encompassing, as it mentions the range of steps involved in creating a sustainability report. Sustainability reporting is defined in many ways in the literature, but generally addresses the triple bottom line, whereby economic growth, environmental protection and social welfare are weighted equally (Elkington, 1997). The Global Reporting Initiative (GRI) presents a triple bottom line inspired definition, presenting sustainability reporting as a practice about the economic, environmental and social impacts caused by its everyday activities…and] also presents the organization’s values and governance model, and demonstrates the link between its strategy and its commitment to a sustainable global economy (GRI, 2014).

Sustainability reporting is often synonymous with other titles, including, but not limited to corporate social responsibility reporting, corporate reporting, responsibility reporting, corporate environmental reporting, citizenship reporting, triple bottom line reporting, environmental, health and safety reporting, and environmental, societal and governance (ESG) reporting. These terms are used interchangeably, and will collectively be referred to as sustainability reporting (Eccles and Krzus, 2014; Brockett and Rezaee, 2012a; KPMG, 2013). The term sustainability reporting is seen as the predominant label for disclosing nonfinancial information, and includes reporting on all three aspects of the triple bottom line – economic, social, and environmental (Gray and Herremans, 2011). The Triple Bottom Line model takes into account not only the financial status of an organization – historically known as the ‘bottom line’ – but also the social and environmental impacts and contributions made by a company. Elkington (1997) also referred to this model of sustainability in business as the ‘Three Ps’ of People, Planet, and Profit.

Literature Review

Research on corporate sustainability reporting is very common and literature is abundant with the outcome of sustainability reporting in different countries across the world. The most recent KPMG International Survey on Corporate Responsibility Reporting (2011) revealed that disclosure on corporate economic, environmental and social performance has become ‘virtually mandatory’ among larger companies globally. The report reveals that over ninety five per cent of Global Fortune 250 companies (G250) provide sustainability or corporate responsibility reports. Eighty percent of the G250 use GRI’s Sustainability Reporting Framework. The number of top Australian listed companies reporting meaningfully on corporate responsibility has grown to fifty seven percent. Large U.S. corporations appear to have the most advanced sustainability programs (Cowan et al., 2010). Of the Fortune Global 500 companies, two-thirds issue some type of stand-alone, non-financial report addressing sustainability issues (Reilly, 2009).

In 2010 GRI carried out research into public sector reporting. The publication GRI Research on Public Agencies Reporting and general Information about GRI and public agency reporting can be found in the Pilot Public Agency Sector Supplement (2004).

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The UK government Department of Environment, Food and Rural Affairs (DEFRA) has also produced specific guidance on sustainability reporting for public agencies: Public Sector Annual Reports: Sustainability Reporting Guidance for 2011-12. As part of its Greening Government Commitment and Sustainable Development Strategy, the UK government encourages both companies and public bodies to disclose their sustainability and environmental performance via their annual reports and accounts.

Other governments incentivizing public sector reporting includes those of Sweden, Germany and the United States. The Swedish government mandates GRI sustainability reporting for state-owned companies. The German government’s Action Plan for Corporate Social Responsibility promotes reporting by German ministries, and the Ministry of Social and Labor Affairs has committed to publishing its first GRI report. The German government’s Plan states, ‘Individual federal ministries will issue informative CSR reports, in keeping with their role as models and pacemakers in the area of social responsibility’.

Public agency reporting in the US is becoming more and more prominent because of government policy. In October 2009, President Obama created a landmark for sustainability in the US with his Executive Order5. The Executive Order sets out a landmark for sustainability in the US with his Executive Order5. The Executive Order sets out the quality of disclosures in sustainability reports (Hess and Dunfee, 2007). Few studies have reviewed the quality of disclosures in sustainability reports (Hess and Dunfee, 2007). Progress in sustainability reporting initiatives is outlined in the timeline below (Table 1):

<table>
<thead>
<tr>
<th>1970s &amp; 1980s</th>
<th>Mid-1990s</th>
<th>Late 1990s</th>
<th>Early 2000s</th>
<th>Future</th>
</tr>
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<tbody>
<tr>
<td>Environmental and Social</td>
<td>Environmental, Social and Economic</td>
<td>Attestation</td>
<td>Comparability</td>
<td></td>
</tr>
<tr>
<td>Companies reported what was available in their information systems</td>
<td>Companies asked stakeholders what should be reported</td>
<td>Companies began to use reporting standards</td>
<td>Companies began to ask third parties to verify what was reported</td>
<td>Companies will see the benefit of more rigorous reporting initiatives</td>
</tr>
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| 1970s and 1980s: Reporting was mostly qualitative, as companies found that their systems contained little data on either environmental or social performance. |
| 1990s: More rigorous environmental reporting developed as companies used sets of indicators to help report their environmental performance; companies were just gaining experience in reporting social performance; environmental reports included more discussion and analysis of results. |
| 2000s: Some indicators and reports have evolved to a sufficiently high standard that external verification or attestation can be done; work still needs to be done to provide benchmarks by which to compare performance against other industry or non-industry members. |

Table 1: Progress in Sustainability Reporting (Source: Herremans & Herschovis, 2006, p. 21)

There has been growing research on environmental and sustainability reporting initiatives in PSOs, for example on: the adoption of social and environmental reports by Italian local authorities (Marcuccio and Stecconi, 2005); voluntary Sustainability Reporting (SR) practices in PSOs that use the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (Guthrie and Farneti, 2008); motivations for SR in PSOs (Farneti and Guthrie, 2008); the applicability

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4 http://www.hm-treasury.gov.uk/frem_sustainability.htm
5 Following this Executive Order, Federal agencies have started to track their sustainability performance using the GRI Framework, and have also sought ways in which to ‘green’ their procurement policies. The US Army and the US Postal Service have both issued sustainability reports, the US General Services Administration has been internally trained by one of GRI’s Certified Training partners, and the US Airforce has issued a report on how to manage their operational sustainability.
of GRI guidelines to public and third sector organizations (Dumay et al., 2010); environmental disclosure practices within annual reports from PSOs (Lynch, 2010); the current and future state of local SR in Australia (Williams et al., 2011); environmental reporting practices in PSOs (Lodhia et al., 2012); current performance measurement practices within government departments in Australia (Adams et al., 2014); and disclosure practices of sustainability information by European local governments of Anglo-Saxon and Nordic countries (Navarro Galera et al., 2014). These studies testify the presence of SR in public sector organizations in an international setup which offer a good opportunity for such organizations in developing nations to practice in a more socially desirable manners and reporting the same towards society.

Analysis and Findings
In this study, we are trying to find out the importance of SR by public sector organizations in a developing nation, Bangladesh, which has achieved most of the targets as set in Millennium Development Goals (MDGs) and planning to achieve the targets set in Sustainable Development Goals (SDGs) early so that the country can be graduated to a developed nation soon. Due to these policy issues, public sector organizations need to act differently and there is a call for collective efforts from both public and private sectors for a balanced development of the country in a sustainable manner. Reporting is also important for ensuring transparency and accountability in the whole process. This section identifies different areas which changed the operations of public sector organizations significantly leading to the requirements of sustainability reporting.

New Public Management
New public management (NPM) practices are mainly borrowed from the private sector, is increasingly seen as a global phenomenon. NPM reforms shift the emphasis from traditional public administration to public management. Key elements include various forms of decentralizing management within public services, increasing use of markets and competition in the provision of public services, and increasing emphasis on performance, outputs and customer orientation. While cost containment was a key driver in the adoption of NPM approaches, injecting principles of competition and private sector management lay at the heart of the NPM approach. The key elements of the NPM can be summarized as follows (Osborne, 2006):

- An attention to lessons from private-sector management;
- The growth both of hands-on “management”, in its own right and not as an offshoot of professionalism, and of “arm’s-length” organizations where policy implementation is organizationally distanced from the policymakers (as opposed to the “inter-personal” distancing of the policy/administration split;
- A focus upon entrepreneurial leadership within public service organizations;
- An emphasis on input and output control and evaluation and on performance management and audit;
- The disaggregation of public services to their most basic units and a focus on their cost management; and
- The growth of use of markets, competition and contracts for resource allocation and service delivery within public services.

Due to the changes brought by NPM, public sector organizations become very much similar to that of private sector organizations in terms of management, operation, performance measurement and authority, responsibility and accounting framework. Their performance and activities come under serious public scrutiny. They also have to practice managerialism, corporatization, commercialization and other tools applied in private sector organizations. In institutional isomorphism, Bangladesh is affected by all the three paradigms. In some cases, coercive isomorphism is prevalent where privatization is initiated amid of serious protests, in some other cases one organization has implemented privatization practices motivated from other examples in the industry. In other cases, normative isomorphism is also observed driven by the market norms as advocated by consultants and donors.

Regulatory Trends in Sustainability Reporting
In 2010, GRI, the United Nations Environment Program (UNEP), KPMG and Stellenbosch University conducted a review of mandatory and voluntary
sustainability reporting standards and legislation in 30 countries. The review revealed that both international and national standards, codes and guidelines, as well as legislation for sustainability reporting, have been evolving strongly. Programs such as the Global Reporting Initiative (GRI), Dow Jones Sustainability Index (DJSI), International Organization for Standardization (ISO) 14001: Environmental Management System Certification, and Leadership in Environmental Engineering and Design (LEED) all provide consistency and guidance for the voluntary sustainability actions of organizations. As sustainably reporting increases internationally, so too does an increasingly dense regulatory network of international and national standards, codes, guidelines and legislation. The research revealed the following:

- A total of 142 country standards and/or laws exist with some form of sustainability-related reporting requirement or guidance
- Approximately two thirds (65 percent) of these standards can be classified as mandatory and one third (35 percent) as voluntary
- A total of 16 standards with some form of reporting requirement at the global and regional level
- A total of 14 assurance standards

Furthermore, there has been a steep increase in companies, and some public agencies, issuing sustainability reports based on the GRI G3 Guidelines published in 2006. This is a result of ten governments formally referencing GRI in their governmental corporate responsibility guidance documents and/or policies. The European Union, the United States, Denmark, Sweden, Spain, France, India, South Africa, China and Canada have all mandated sustainability reporting. GRI hosts the Report or Explain Campaign Forum, a convening space for those wanting to drive sustainability disclosure through a global policy framework that requires companies to report their sustainability performance or explain why they do not. As investors increasingly demand sustainability performance information, GRI also participates in the Corporate Sustainability Reporting Coalition, led by AVIVA, and the Green Economy Coalition.

In response to the United Nations Conference on Sustainable Development (Rio+20, held in June 2012) the governments of Brazil, Denmark, France and South Africa joined together in a political coalition, “The Group of Friends of Paragraph 47”, to advance corporate sustainability reporting. With the technical advice and support of UNEP and GRI, the “Group of Friends of Paragraph 47” investigates possible ways for advancing best practices and governmental action on corporate sustainability reporting, and for developing capacity in developing countries. The members of the “Group of Friends of Paragraph 47” have come together with the ambition to build on what already exists in terms of policy and practice, and to construct models for best practice guidance and policy, as an inspiration for other countries.

The first legal requirements for sustainability reporting occurred with the 1997 Finnish Accounting Act (Brockett and Rezaee, 2012). Between 1995 and 1997, Denmark, the Netherlands, Norway and Sweden drafted legislation for annual disclosure of environmental performance (Hess, 2007). A joint study by international organizations concluded that out of 180 national sustainability reporting policies reviewed from 45 countries, 72% of these were mandatory to some degree (GRI et al., 2013). There has also been a “smart regulations approach” to sustainability reporting, whereby there is a mix of voluntary and mandatory reporting, existing on a spectrum of different types of regulation and standards (Herzig and Schaltegger, 2011). This regulatory framework develops normative isomorphism under the institutional theory in support of sustainability reporting.

**Sustainable Development Goals (SDGs)**

SDG is the framework for global development after the terminal year (2015) of the Millennium Development Goals (MDGs). With 17 goals and 169 targets SDGs represents a bold new agenda to end poverty, fight inequality, tackle the adverse effects of climate change and ensure a sustainable future for all. Bangladesh has fixed 47 targets in various 9 sectors for coming SDGs proposal. The Government of Bangladesh has envisioned transforming Bangladesh into a middle income country by 2021 and a developed country.

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8 The Green Economy Coalition (GEC) is a diverse set of organisations and sectors from NGOs, research institutes, UN organisations, business to trade unions who have come together to recognise that the economy is failing to deliver either environmental sustainability or social equity. http://www.greeneconomycoalition.org.
by 2041. Bangladesh has already become a middle income country. We have already translated this vision, pronounced at the highest political level, into an actionable agenda by formulating Perspective Plan (2010-2021) and two Five Year Plans (FYPs) associated with this. Bangladesh integrated the 2030 Agenda in its 7th FYP (2016-2020). This offered a tremendous opportunity to implement the 2030 Agenda, while reflecting the priorities of the SDGs in the national plan. The Government has adopted “Whole of Society” approach to ensure wider participation of NGOs, development partners, private sector, media and CSOs in the process of formulation of the Action Plan and implementation of the SDGs.

The outcome document of the Rio+20 Conference of 2012 specifically mentioned sustainability reporting under Principle 47, and this principle is implemented in the UN Sustainable Development Goals, specifically as Goal 12.6 (UN, 2012; 2014). This goal aims to encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (UN, 2014). The recent international partnership between Brazil, Denmark, France and South Africa at the Rio+20 demonstrates the pervasiveness of sustainability reporting governance. This partnership, the Group of Friends of Paragraph 47, was inspired during the Rio+20 Conference in 2012 (GoF47, 2012; Eccles and Krzus, 2014).

Sustainable development is about reconciling development with the environment. McGranahan and Satterthwaite (2003) focused on urban centers in their quest to assess sustainability. They asserted that the world is becoming increasingly urbanized that urban centers concentrate more of the world’s economic activities and that much of the world’s middle- and upper-income groups live and work in urban centers. In order to advance sustainable development worldwide, they summarized multiple goals for cities. The goals they proposed are captured below in Table 2:

Table 2: Sustainable Development Goals (Source: McGranahan & Satterthwaite, 2003)

<table>
<thead>
<tr>
<th>Meeting the needs of the present...</th>
<th>…without compromising the ability of future generations to meet their own needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic needs – including access to an adequate income/livelihood or productive assets; and economic security when unemployed, ill, disabled, or otherwise unable to work.</td>
<td>Minimizing use or waste of nonrenewable resources – including minimizing consumption of fossil fuels in housing, commerce, industry, and transport plus substituting renewable resources where feasible; minimizing waste of scarce mineral resources; preserving irreplaceable (thus nonrenewable) cultural, historical, and natural assets within cities.</td>
</tr>
<tr>
<td>Environmental needs – including accommodation that is healthy and safe with adequate provision for piped water, sanitation, and drainage; home, workplace, and living environment protected from environmental hazards; provision for recreation and for children’s play; and shelters and services to meet the specific needs of children and adults responsible for child rearing.</td>
<td>Sustainable use of finite renewable resources – cities drawing on freshwater resources at levels that can be sustained; keeping to a sustainable ecological footprint in terms of land area on which city-based producers and consumers draw for agricultural, forest products, and biomass fuels.</td>
</tr>
<tr>
<td>Social, cultural, and health needs – including health care, education, and transportation; needs related to people’s choice and control (including homes and neighborhoods that they value and where social and cultural priorities are met).</td>
<td>Biodegradable wastes not overtaking capacities of renewable sinks – such as the capacity of a river to break down biodegradable wastes without ecological degradation.</td>
</tr>
<tr>
<td>Political needs – including freedom to participate in national and local politics and in decisions regarding management and development of one’s home and neighborhood within a broader framework that ensures respect for civil and political rights and the implementation of environmental legislation.</td>
<td>Non-biodegradable wastes/ emissions not overtaking (finite) capacity of local and global sinks to absorb or dilute them without adverse effects – such as persistent organic pollutants, greenhouse gases, and stratospheric ozone-depleting chemicals.</td>
</tr>
<tr>
<td>Social/human capital needed by future generations – including institutional structures to support human rights and good governance and, more generally, to receive each nation’s or social group’s rich cultural heritage, knowledge, and experience.</td>
<td></td>
</tr>
</tbody>
</table>

SDGs encourage a form of coercive and normative isomorphism within the realm of institutional theory. As per the commitment of the Government, they are in pressure to achieve the targets and at the same time, it becomes a norm as set by the market mechanism where lots of stakeholders are involved in this noble cause and process.

Performance Measurement

Performance measurement has a relationship with the reporting framework of reporting unit. Perrini and Tenaci (2006) reported that more than a hundred standards and management solutions were developed to evaluate and report the economic, social, environmental and sustainability performance of companies. One of the early tools was proposed by Kaplan and Norton (1992) who developed a balance scorecard tool for managers that include a relevant set of measurements for both financial and operational performance based on the premise that an organization’s measurement systems strongly affect the behavior of managers and employees.

There are different reporting and performance measurement framework under sustainability.
reporting. Most important framework is proposed by GRI as created by Ceres. Ceres is a nonprofit organization founded in 1989 in the wake of the Exxon Valdez oil spill. It established the Ceres Principles – a ten-point code of corporate environmental conduct to be publicly endorsed by companies as an environmental mission statement or ethic (Ceres, 2010). In 1997, Ceres created the Global Reporting Initiative (GRI) with a mission to make sustainability reporting standard practice by providing guidance and support to organizations (GRI, 2012).

Another framework is proposed by Dow Jones Sustainability Index (DJSI). The DJSI was launched in 1999 as the first global index tracking the financial performance of the leading sustainability-driven companies worldwide.

International Organization for Standardization (ISO) 14001: Environmental Management System (EMS) Certification is another framework dealing with sustainability reporting. The ISO is a non-governmental organization that forms a bridge between the public and private sectors to enable the achievement of consensus on solutions that meet both the requirements of business and the broader needs of society. Another framework is proposed by the U.S. Green Building Council (USGBC).

The USGBC is a non-profit community of leaders working to make green buildings available to everyone within a generation. In 2000, the USGBC established the Leadership in Energy and Environmental Design (LEED) certification system which provides building owners and operators with a framework for identifying and implementing practical and measurable green building design, construction, operations, and maintenance solutions (USGBC, 2011).

However, the availability of tools and resources for local governments to measure and report on sustainability efforts and outcomes is severely lacking. Though there are efforts to establish such tools and programs, there are currently no widely adopted and consistent benchmarking models to guide the public sector in this endeavor. Various state, regional, and local programs exist across the country, but they fail to provide the broad-based consensus that allows for national best-practice models to be established. The lack of literature in this area illustrates a clear need for additional research and development in the area of local government sustainability measurement and reporting tools. This is in stark contrast to the more rapid development of such resources in use within the private sector.

The most promising planning and benchmarking tool for local government sustainability is one developed by ICLEI – Local Governments for Sustainability (formally known as the International Council for Local Environmental Initiatives). The program is called the STAR Community Rating System (STAR). This program initiative was started by ICLEI in collaboration with the U.S. Green Building Council (USGBC), National League of Cities (NLC), and the Center for American Progress (CAP) and involved 160 volunteers representing 130 organizations, including 50 cities and 10 counties, state and federal agencies, non-profit organizations, national associations, universities, utilities, and private corporations” (ICLEI, 2010). While there remains a lack of concurrence and adoption of a standardized measuring and reporting tool, there are a variety of models that have been proposed as a means of promoting a more robust understanding of sustainability and encouraging appropriate action among public sector organizations. Six models (or paradigms) are revealed by the literature which are (1) Sustainable Places – Beatley and Manning (1997) placed sustainability squarely in the realm of planning the physical places of regions, cities, and towns; (2) The Planner’s Triangle – Campbell (1996) illustrated the conflicts experienced among participants and priorities when engaging in that planning process; (3) The Sustainability/Livability Prism – Godschalk (2004) extended Campbell’s illustration to more strongly connect it to urban places by introducing livability into the model; (4) Environmentally Sustainable Economic Development – Bithas and Christofakis (2006) suggested an ecosystem model in which beneficial outcomes, such as economic breakthroughs and innovative social/cultural dynamics, receive greater consideration; (5) An Assessment of Sustainability – McGranahan and Satterthwaite (2003) defined multiple goals for judging sustainability in urban areas; and (6) Just Sustainability Paradigm. Agyeman (2008) called for a new paradigm to merge the modern movements of environmental stewardship and environmental justice. These reporting and performance measurement frameworks are the result of mimetic isomorphism. Sometimes private sector frameworks are translated and applied to public sector and vice versa.
Sustainable Cities

Urbanization becomes a serious development agenda for most of the developing nation. The first major research effort to observe the application of the sustainable cities movement was conducted by Berke and Conroy (2000). From the 10 plans studied that contained the values of sustainability as an organizing principle and the 20 high-quality plans that did not, they found “the concept had no effect on how well plans actually promoted sustainability principles”. The second finding was that the selected plans did not take a balanced, holistic approach to guiding development and moving toward sustainability...they focused narrowly on creating livable built environments. The significant research studies of urban sustainability that followed were similar in approach and objective. They were conducted by Portney (2003), Portney & Berry (2010), Jepson (2004a, 2007), and Conroy (2006). Portney focused on small set of large cities with identifiable sustainable development programs. Jepson’s (2004a) research included a much wider sample of cities from across the U.S. Conroy (2006) focused on smaller towns in Indiana, Kentucky, and Ohio. They each used a different set of indicators to draw conclusions about the status of urban sustainability. In 2001, Jepson (2004b) utilized a list of 39 techniques and tools that can contribute to the achievement of sustainable development at the local level. He found that sustainable development had been adopted through a wide range of policies and techniques in cities of varying sizes and in all parts of the country. In 2005, Jepson (2007) conducted a follow-up survey in the five cities with the highest scores and the six cities with the lowest scores from his 2001 research. Jepson was seeking to gain from the survey “not just demographic characteristics, but also specific community conditions, capacities, and opinions and attitudes”. Jepson concluded that “the adoption of sustainable development policies among communities remains essentially inexplicable...[however] as the general public becomes more educated and the use of indicators becomes more sophisticated and widespread, interest in sustainable development will grow”.

Sustainability Reporting and Public Sector Organizations

In the formative book, The Ecology of Place: Planning for Environment, Economy, and Community, Beatley and Manning (1997) called for a new vision for America that “recognizes that questions of ecological sustainability are fundamentally and inextricably tied to patterns of human settlement – to metropolitan regions, cities, towns, and villages”. According to The World Factbook (CIA, 2010), there are more people living in urban settings than in rural settings worldwide and in the U.S. Roseland et al. (1998) stated that “cities provide enormous, untapped opportunities to solve environmental challenges and local governments must and can pioneer new approaches to sustainable development and urban management. Beatley and Manning (1997) also stated that developments in cities and urban areas have tremendous ecological impacts, and the seriousness of the environmental crisis to which they contribute suggests the need for a fundamentally new governance and management approach – one that acknowledges and implements a new ecological paradigm”. This paragraph clearly displays the negative side of urbanization where all the developing countries are getting suffered. The unplanned and unwise urbanization attempts may cause serious damage to ecological balance where sustainability reporting can ensure transparency and accountability to respective communities. Isomorphic interpretation should be established by bringing best practice examples from developed country in a mimetic fashion.

Bangladeshi public sector organizations are facing an ever-growing demand from different stakeholders to be more transparent and accountable about their economic, environmental and social performance. Public sector organizations are reporting information in line with their micro level perspectives which is not consistent and comparable. There should be a collective attempt to develop a sustainability framework on part of public sectors organizations in Bangladesh so that such reporting can be mandated and regulated. In economic activities, public sector organizations plays critical role. It is observed that public sector captures some sensitive and critical areas which may cause environmental and ecological damage. Thus, there is a normative pressure exerted on public sector to operate in a sustainable manner in the long run.

Sustainability reporting can play a crucial role for Bangladeshi public sector agencies in enabling transparency and accountability, while streamlining reporting processes. It is not about adding more
information for public reporting; it’s about making the connections and encouraging holistic thinking. It will bring overall isomorphism across both public and private sector which is very important.

Sustainability reporting can add value and quality to management information in the public sector, ensuring that pivotal performance information is disclosed. Sustainability measurement and reporting can play an important role in that ‘what gets measured gets done’. The existence of sustainability metrics can assist in making sustainability issues an integral part of decision-making processes within the public sector. Sustainability reporting can also assist organizations in a variety of existing reporting and management tasks, such as strategic planning, operational efficiency, customer service, stakeholder management, labor relations, workforce management and environmental management.

There is potential to align much of the public reporting with GRI’s disclosure items. GRI’s Sustainability Reporting Framework can also help organizations understand the linkages between operational impacts, government policies or strategies, and outcomes. Generally, public sector reporting that relates to sustainability disclosure can be classified into three distinct categories:

• reports such as annual reports that cover the overall performance of an entity
• reports of policy or strategies, such as an environment plan or sustainability strategy
• reports that present the conditions of a geographical area (country, state, region, city or local government area)

As a sustainability report seeks to describe the impacts of an organization and its activities, the first category has most application to sustainability reporting and the other two categories can provide some relevant information. However, public sector in Bangladesh needs to begin the practices of sustainability reporting, otherwise, all the development initiatives may bring immediate benefits at the cost of long term sustainability. As the country is undergoing development activities from every possible respect, it is important to confirm that the initiatives have pass through proper scrutiny on environmental, ecological and social aspects of sustainability. It may be established through coercive isomorphism if all the independent market watchdogs and activists play their respective roles to raise the voice and demands. The sustainability journey is initiated by the users not the reporting entity; however, it becomes a serious agenda for discussion and adoption by the public sectors organizations of Bangladesh.

Conclusion

Companies, and especially multinational corporations, are increasingly adopting sustainability reporting practices (Cooper & Owen, 2007). Sustainability reporting for public sector organizations of Bangladesh becomes a priority agenda for discussion and adoption. Bangladesh has incorporated priorities of SDGs in all her development policies. The Government has adopted an inclusive approach to development so that the poorest and the most vulnerable section of the society can be integrated into its national development efforts. As the country moves ahead, challenges in several areas, including in resource mobilization and data management, will have to be addressed. It is a serious concern that the development projects may be selected hurriedly bypassing the feasibility of the project on long term sustainability. We want development in a sustainable manner, not at the cost of the environmental and ecological balances. An increasing number of researchers have sought to investigate the motives and drivers which lead organizations to initiate and undertake social and environmental reporting (SER) (Adams et al., 1995; 1998; Young and Marais, 2012) and different theoretical strands have been used to examine various aspects. This shows the importance and acceptability of such reporting.

several innovative studies recently made (Larrinaga-González, 2007; Bebbington et al., 2009) have adopted the institutional (Di Maggio and Powell, 1983; Scott, 1987; 1995) and neo-institutional theories (Di Maggio & Powell, 1991; Powell, 1991) as a theoretical framework to explain the standardization or at least the procedures of sustainability reporting and to understand the drivers of institutional change. Different isomorphic interpretations have also been presented in this study to show the impact of institutionalization in reporting landscape. Isomorphism is important for standardization which is not a fashion but required for legitimizing the practice in a macro level. Private sector of the country has already begun, now it is the time for public sector to start with.

Theorizing sustainability reporting from institutional
perspective carries additional meaning. Institutions become an integral part of society and the practices of these institutions build a particular structure which ultimately brings isomorphism. There is no chance to adopt practices out of fashion like some private sector organizations. Public sector organizations should adopt it out of legitimacy, they will act to develop a norm in the society, and they will preserve the environment through their sensible operations and motivate private sectors to act accordingly. Few public sector organizations report for sustainability in their annual accounts and it digitized form through the websites. These are standalone which needs to come under a common policy so that the users come to know the sustainability policy of the units in a transparent and accountable manner. This study concludes that the size and quality of reporting for sustainability by the public sector organizations are minimal. A regulatory intervention is needed immediately to bring standardization in the reporting process. It will not only ensure the reporting part of the organizations but also encourage the organizations to work in sustainable manner.

References


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EVOLUTION OF CORPORATE REPORTING: SUSTAINABILITY TO INTEGRATED REPORTING

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The ultimate business language is named as financial reporting; which in turn endorses the tagline of corporate reporting. The focal point of those reporting was to inform shareholders about financial performance & position of the company. During that development phase it was barely looked into the shareholder’s profit cum wealth maximization. In that flow of time it got some transformation, in broader sense “evolution” which is in reality started to look into the welfare of larger community of stakeholders even the society & environment. As a consequence, the environmental reporting, sustainability reporting and finally the integrated reporting emerged with the objective to demonstrate how the organization creates value over time and how it utilizes diverse capital generated from the environment & society and what is the magnitude it appends or eaten up those capital.

Globalization and connectivity apprehend that the world’s finance & resources are inevitably linked, as evidenced by the global financial catastrophe, the desire to promote financial stability and sustainable development by better linking investment decisions, corporate behavior and reporting has become a global need.

Businesses necessitate advancement in the system for reporting, facilitating and communicating the trends without the complexity and inadequacy of current reporting. Currently there are significant information gaps in reports, with the organizations such as World Bank and IMF calling for a greater focus on aspects such as risk and future development. Moreover, the need for sustainable development is in center of this entire thought process.

Throughout this process the new reporting arena evolved for the organizations to understand & communicate their impacts on issues such as climate change, carbon footprint, human rights and even corruption. An organization with the name The Global Reporting Initiative (GRI) has been established by them during 1997. The GRI started work as an independent international organization that has pioneered sustainability reporting over the time and throughout the world. The GRI standards are the first and most widely adopted global standards for sustainability reporting.

The practice of disclosing sustainability information inspires accountability, helps identify and manage risks, and enables organizations to seize new opportunities. Reporting with the GRI Standards supports companies, public and private, large and small, protect the environment and improve society, while at the same time thriving economically by improving governance and stakeholder relations, enhancing reputations and building trust.
In a summary the core achievement of the GRI move is used as force for positive change – companies with revenues larger than the GDPs of entire countries and supply chains that stretch the globe. As a result, the impact of the GRI's work on social well-being, through better jobs, less environmental damage, access to clean water, less child and forced labor, and gender equality has enormous scale.

Latest development of this journey is <IR> (the symbolic presentations of Integrated Reporting) another wing from the same school of thoughts. An international council- The International Integrated Reporting Council (IIRC) has been established with the vision to align capital allocation and corporate behavior towards wider goals of financial stability and sustainable development through the cycle of integrated reporting and thinking. IIRC is a global coalition to promoting communication about value creation as the next step in the evolution of corporate reporting.

To facilitate the vision of IIRC the <IR> framework has been created, it includes principles-based guidance and content elements to govern and explain the information within an integrated report. The IIRC published this framework following extensive consultation and challenging by businesses and investors in all regions of the world, including the 140 businesses and investors from 26 countries that participated in the IIRC Pilot Program. This inclusive, market-led approach means that the Framework has been developed by business as a response to the new wider value creation model businesses have in the 21st century.

An integrated report is a concise communication about how an organization's strategy, governance, performance, and prospects in the context of its external environment, lead to the creation of value in the short, medium, and long term. It has been created to enhance accountability, stewardship and trust as well as to harness the information flow and transparency of business that technology has brought to the modern world. Providing investors with the information they need to make more effective capital allocation decisions will facilitate better long-term investment returns.

To understand the overall integrated reporting framework, a glimpse of three major area i.e Guiding principles, Contents elements & type of capitals are depicted throughout the below sections. At the end the value creation process flow will be explained in a short– how the organization creates value over the period.

GUIDING PRINCIPLES

The following Guiding Principles underpin the preparation of an integrated report, informing the content of the report and how information is presented:

- **Strategic focus and future orientation**: An integrated report should provide insight into the organization's strategy, and how it relates to the organization's ability to create value in the short, medium and long term, and to its use of and effects on the capitals

- **Connectivity of information**: An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time

- **Stakeholder relationships**: An integrated report should provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests

- **Materiality**: An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term

- **Conciseness**: An integrated report should be concise

- **Reliability and completeness**: An integrated report should include all material matters, both positive and negative, in a balanced way and without material error

- **Consistency and comparability**: The information in an integrated report should be presented: (a) on a basis that is consistent over time; and (b) in a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time.

CONTENT ELEMENTS

An integrated report includes eight Content Elements that are fundamentally linked to each other and are not mutually exclusive:

- **Organizational overview and external environment**: What does the organization do and what are the circumstances under which it operates?

- **Governance**: How does the organization’s governance structure support its ability to create value in the short, medium and long term?
• Business model: What is the organization’s business model?
• Risks and opportunities: What are the specific risks and opportunities that affect the organization’s ability to create value over the short, medium and long term and how is the organization dealing with them?
• Strategy and resource allocation: Where does the organization want to go and how does it intend to get there?
• Performance: To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?
• Outlook: What challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?
• Basis of presentation: How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?

CAPITALS
All organizations depend on various forms of capital for their success. In the International <IR> Framework, the capitals comprise financial, manufactured, intellectual, human, social and relationship, and natural.

The capitals are stocks of value that are increased, decreased or transformed through the activities and outputs of the organization. For example, an organization’s financial capital is increased when it makes a profit, and the quality of its human capital is improved when employees become better trained. The overall stock of capitals is not fixed over time.

There is a constant flow between and within the capitals as they are increased, decreased or transformed. For example, when an organization improves its human capital through employee training, the related training costs reduce its financial capital. The effect is that financial capital has been transformed into human capital. Although this example is simple and presented only from the organization’s perspective, it demonstrates the continuous interaction and transformation between the capitals, with varying rates and outcomes.

Many activities cause increases, decreases or transformations that are far more complex than the above example and involve a broader mix of capitals or of components within a capital (e.g., the use of water to grow crops that are fed to farm animals, all of which are components of natural capital).

In the IIRC framework the capitals are categorized and described as underneath;

• Financial Capital: The pool of funds that is:
  o available to an organization for use in the production of goods or the provision of services
  o obtained through financing, such as debt, equity or grants, or generated through operations or investments

• Manufactured Capital: Manufactured physical objects (as distinct from natural physical objects) that are available to an organization for use in the production of goods or the provision of services, including:
  o buildings
  o equipment
  o infrastructure (such as roads, ports, bridges, and waste and water treatment plants)

Manufactured capital is often created by other organizations, but includes assets manufactured by the reporting organization for sale or when they are retained for its own use.

• Intellectual capital: Organizational, knowledge-based intangibles, including:
  o intellectual property, such as patents, copyrights, software, rights and licenses
  o “organizational capital” such as tacit knowledge, systems, procedures and protocols

• Human capital: People’s competencies, capabilities and experience, and their motivations to innovate, including their:
  o alignment with and support for an organization’s governance framework, risk management approach, and ethical values
  o ability to understand, develop and implement an organization’s strategy
  o loyalties and motivations for improving processes, goods and services, including their ability to lead, manage and collaborate

• Social and relationship capital: The institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being. Social and relationship capital includes:
  o shared norms, and common values and behaviors
  o key stakeholder relationships, and the trust and willingness to engage that an organization has developed and strives to build and protect with external stakeholders
  o intangibles associated with the brand and reputation that an organization has developed
  o an organization’s social license to operate

• Natural capital: All renewable and nonrenewable
environmental resources and processes that provide goods or services that support the past, current or future prosperity of an organization. It includes:

- air, water, land, minerals and forests
- biodiversity and eco-system health.

Not all capitals are equally relevant or applicable to all organizations. While most organizations interact with all capitals to some extent, these interactions might be relatively minor or so indirect that they are not sufficiently important to include in the integrated report.

**THE VALUE CREATION PROCESS**

The value creation process flow depicted as underneath. It is also important to explain briefly how the value creation process aligned with the contents elements of <IR>.

[Source: The international <IR> Framework]

The external environment, including economic conditions, technological change, societal issues and environmental challenges, sets the context within which the organization operates. The mission and vision encompass the whole organization, identifying its purpose and intention in clear, concise terms.

Those charged with governance are responsible for creating an appropriate oversight structure to support the ability of the organization to create value.

At the core of the organization is its **business model**, which draws on various capitals as inputs and, through its **business activities**, converts them to **outputs** (products, services, by-products and waste). The organization's activities and its **outputs** lead to outcomes in terms of effects on the capitals. The capacity of the business model to adapt to changes (e.g., in the availability, quality and affordability of inputs) can affect the organization's longer term viability.

Business activities include the planning, design and manufacture of products or the deployment of specialized skills and knowledge in the provision of services. Encouraging a culture of innovation is often a key business activity in terms of generating new products and services that anticipate customer demand, introducing efficiencies and better use of technology, substituting inputs to minimize adverse social or environmental effects, and finding alternative uses for outputs.

Outcomes are the internal and external consequences (positive and negative) for the capitals as a result of an organization's business activities and outputs.

Continuous monitoring and analysis of the external environment in the context of the organization's mission and vision identifies **risks and opportunities** relevant to the organization, its strategy and its business model.

The organization's **strategy** identifies how it intends to mitigate or manage risks and maximize opportunities. It sets out strategic objectives and strategies to achieve them, which are implemented through **resource allocation** plans.

The organization needs information about its **performance**, which involves setting up measurement and monitoring systems to provide information for decision-making.

The value creation process is not static; regular review of each component and its interactions with other components, and a focus on the organization's **outlook**, lead to revision and refinement to improve all the components.

**Reference:**

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4. GRIG4-Part1-Reporting-Principles-and-Standard-Disclosures
Abstract
This paper aims at finding out the scenario of current practices of sustainability reporting in the Non-Bank Financial Institutions (NBFIs) of Bangladesh as per the Global Reporting Initiative (GRI) guidelines. GRI is an independent international organization that has pioneered sustainability reporting since 1997. For the last few decades, GRI has been playing a leading role to business organizations and governmental organizations to understand and communicate their impact on critical sustainability issues, such as climate change, human rights, governance and social well-being. Following GRI guidelines can have a multiple benefit to the multi-stakeholder that is required for greater public benefit. That’s why GRI framework has been used in this study which may ultimately be beneficial to us in several ways. For this study 16 out of 23 NBFIs enlisted in the Dhaka Stock Exchange (DSE) of Bangladesh has been taken to complete the study. Analysis has been done for last five years from 2012 to 2016 to see the application of GRI guidelines. The study revealed that only a few companies follow GRI guidelines to report on sustainability, some others talk about sustainability but do not follow GRI guidelines, and the rest of the companies do not talk about sustainability at all.

Keywords: Sustainability Reporting, Global Reporting Initiatives (GRI), Non-Bank Financial Institutions (NBFIs).
INTRODUCTION:
Globalization is creating a lot of opportunities as well as challenges to the business nowadays. Stakeholders are more aware now because of faster flow of information. Reporting requirements are also increasing rapidly. Financial statements are not enough nowadays to fulfill wider demand of variety of stakeholders. Recent financial downturn of 2007-2009 has been expediting the need of greater good reporting practices including sustainability reporting. Reporting guidelines of Global Reporting Initiative (GRI) is widely used sustainability reporting framework globally. Wide range of coverage of GRI guidelines brings its acceptance to a greater level. Commercial and non-commercial, government and non-government organizations can follow disclosure requirements of social, environmental and economic sustainability performance as provided by GRI.

A sustainability report is one that a company or organization publishes and that contains the economic, environmental and social impacts caused by its everyday activities (GRI, 2018). Basically it is a way an organization can follow to measure, realize and express economic, environmental, social, and governance performance. Ultimately that reporting can help in the long run in setting organizational targets and coping up with the ever-changing dynamic environment they operates. Sustainability reporting is similar to triple bottom line reporting, non-financial reporting, corporate social reporting (GRI, 2018).

Globally there are four major sustainability reporting guidelines providers, namely The Global Reporting Initiative (GRI), The Organization for Economic Co-operation and Development (OECD), The United Nations Global Compact and The International Organization for Standardization (ISO). This study is based on GRI guidelines framework for sustainability reporting. The study focuses on the application of sustainability reporting practices in the Non-Bank Financial Institutions (NBFI's) of Bangladesh. We cannot deny the importance of Non-Bank Financial Institutions in the economy of Bangladesh. Each year listed companies need to prepare and publish annual reports, which is the key source of information about the organization to the stakeholders. This study is done to determine the level of the sustainability reporting practices by NBFI’s and finally give some policy recommendations to the regulators and the Government of Bangladesh.

OBJECTIVES OF THE STUDY:
The objective of this study is to see the recent sustainability reporting practices by the Non-Bank financial Organization of Bangladesh. The specific objectives of this study are:
1. To see the application of Global Reporting Initiative guidelines in the Non-Bank Financial Institutions of Bangladesh.
2. To suggest some points to formulate policy godliness for sustainability reporting in Non-Bank Financial Institutions of Bangladesh.

LITERATURE REVIEW:
According to GRI Sustainability Reporting Guidelines report (2010-2011), “The GRI reporting framework is intended to serve as a generally accepted framework for reporting on an organization’s economic, environmental, and social performance… The sustainability reporting guidelines consist of principles for defining report content and ensuring the quality of reported information.” Sulkowski and Waddock (2013) mentioned in their study that 95% of Global Fortune 250 companies and other thousands of companies worldwide report on their environmental, societal, and economic issues. They also termed these practices as sustainability reporting, corporate responsibility reporting, corporate social reporting, citizenship reporting, environmental societal and governance reporting, or triple bottom line reporting.

A literature review of the concept by Finch (2005) considers sustainability reporting and corporate social responsibility reporting same and highlights different views of sustainability reporting- agency view, corporate social performance view, resource-based view, supply and demand view, and the stakeholder view. The agency view, according to Freidman (1962,1970) argues that businesses are responsible only to its shareholders and its social responsibility thus is to maximize shareholders’ wealth. Resource based view explains that corporate social performance serves as a competitive advantage in case of high growth industries, says Russo and Fouts (1997). McWilliams & Siegel (2001) developed supply and demand framework, the main view of which is that CSR investment can...
maximize profit, but it can favor stakeholders as well. Finally, stakeholder view of the concept, which is the most common view, argues that organizations have relationships with many groups in the society and thus they are affected by the firms. Therefore, serving the needs of those groups is equally important for ensuring sustainability.

Companies disclose various types of financial and non-financial information through mandatory reporting as well as voluntary sources, such as CSR or Integrated or Sustainability reporting. Cohen, Holder-webb, Nath and Wood (2011) commented on their study that investors prefer non-financial information more because they think that it directly affects future earnings. Also Adams, Fries, and Simnett (2011) concluded that “Integrated reporting is a means to providing a more coherent, balanced and complete picture of company performance, centered around strategic objectives and business models, and sensitive to the multiple drivers of value for today’s businesses.” Thus, importance of voluntary reporting cannot be overemphasized. Additionally, Chen and Bouvain (2009) mentioned in their study that current sustainability reporting standard is mainly voluntary in nature and thus companies have flexibility in how much reporting they would do. Kolk (2010) adds, there is a trend of multidimensional reporting, integrated reporting that integrates sustainability information with financial information.

So far the disclosure of sustainability reporting is concerned, many countries have shown different degree of disclosure. According to an article by Kolk (2008), among global Fortune 250 companies, many multinationals have started paying attention to sustainability reporting, specially the board supervision and structure of responsibilities, compliance, ethics, and external verification. Edu, Esang, and Otonkue (2009) in their Nigerian study concluded that large companies usually report more environmental information while medium and small companies give less or no such information and that these disclosures are generally more qualitative in nature. However, although these are all voluntary reporting, Negash (2009) suggested that GRI guidelines and private sector regulation are not enough to monitor environmental reporting by firms.

Literature on sustainability reporting is vast and is written on different dimensions. One such dimension is how it is reported or disclosed. Murray, Sinclair, Power, and Gray (2006) studied whether UK’s financial markets care about social and environmental reporting, while Cormier, Megnan, and Van Velthoven (2005) found that risk, ownership, fixed asset age and firm size are the determinants of how environmental information is conveyed to users. A US based study by Cho, Freeman, and Patten (2009) revealed that companies disclose environmental information as a strategy to respond to political and regulatory restrictions.

The concept of sustainability has been found to be connected with other aspects of firms. For example, Koner and Cohen (2011) examined whether there is any relation between sustainability or environmental reporting and firm performance and found that poor environmental performance has a significant negative relationship with the intangible asset value of publicly traded firms and that big organizations comply with environmental regulations. Besides in a study by Penman and Zhang (2002), they argued that models of sustainable earnings are also models of price earnings ratio. In an effort to find the relationship between corporate sustainability practice according to GRI guidelines and firm performance of UK and US companies, Taib, Ameer, and Haniff (2002) found that companies in these countries tend to report more after 2008 financial crisis, mainly due to public demand for more transparency and ethical practices.

A study by Amran and Ooi (2014) finds that stakeholder pressure makes companies report through their sustainability reporting about their governance, efficiency, accountability and transparency. On the other hand, Bowers (2010) commented that there is an increasing trend in companies in providing quantitative economic outcome, and not just environmental and social aspects.

Literature has shown that sustainability is not only reported in paper format but also on internet as people have more access to information now online. Budi and Almilia (2008) summarize the use of internet is reporting about sustainability. The findings suggest that companies do not use advancement in technology in providing financial and sustainability information to its users; however, it provides tremendous opportunity to use internet for sustainability reporting. A research
by Gill, Dickinson, and Scharl (2008) intended to find sustainability report on internet and found sustainability reporting differentiates among brands and thus creates good reputation for the companies.

**METHODOLOGY:**

The study is based on the information from secondary data sources. The data collected for the purpose of the study involve the analysis of annual reports for the year 2012-2016 of Non-Bank Financial Institutions (NBFIs) listed on the Dhaka Stock Exchange (DSE). A total of 16 out of 23 companies were taken as sample. This study mainly focused on the published annual reports of the selected NBFIs to analyze the application of sustainability reporting practices. To measure the level of sustainability reporting practices, Global Reporting Initiatives (GRI) guidelines were taken as conceptual framework. Annual reports were analyzed to see the NBFIs General Standards and Disclosure practices as per GRI G-3/3.1. Disclosures on Management Approach were also key variables we looked at. Results are shown as full disclosure, partial disclosure and no discourse. Full disclosure is done when GRI guidelines were followed completely; partial disclosure is done when all aspects were not addressed in annual report; and no disclosure means there is no disclosure of sustainability reporting in the selected NBFIs annual reports. GRI framework is used because of its wide spread acceptability and pioneering role in setting requirement for sustainability reporting in the world. 93% of the largest 250 companies in the world used GRIs sustainability reporting framework (GRI websites)*. There is no barrier to communicate sustainability reporting practices through websites, internet, newspapers or any other media but we have chosen Annual Reports to analyze the application of sustainability reporting because of wide acceptance of annual reports as important documents for disclosure.

**SUSTAINABILITY REPORTING FRAMEWORK AT A GLANCE:**

The Global Reporting Initiatives (GRI) was formed by Ceres and Tellus Institute under the United Nations Environment Programme (UNEP) in 1997. GRI is an independent international organization that has been pioneering sustainability reporting since its inception in 1997. GRI helps both business firms and governments understand and convey their effect on sustainability issue such as climate change, human right, governance and social well-being. Whole society, environment, economy can be benefited by it. The GRI Sustainability Reporting Standards (GRI Standards) are the first and most widely adopted global standards for sustainability reporting since GRI's inception in 1997. In fact, 93% of the world's largest 250 corporations report on their sustainability performance.

Standards Setting of GRI is done through following boards/committee:
- The Global Sustainability Standards Board (GSSB)
- The Due Process Oversight Committee (DPOC)
- The Independent Appointments Committee (IAC)
- GRI Standards Department

GRI aims at following four areas:
- Create standards and guidance to advance sustainable development
- Harmonize the sustainability landscape
- Lead efficient and effective sustainability reporting
- Drive effective use of sustainability information to improve performance

GRI provided different standards and disclosure requirements from time to time. The short summary of those can be found as follows:

**General Standards Disclosure-Aspects: As per GRI (G-3.1/3)**

GRI started publishing their standards in 2000 which is known as firs version of GRI or GRI G1. Third generation guidelines were issued on 2006 which is known as GRI G-3. GRI G-3.1 was issued in year 2011. The summary of main areas where GRI G-3.1 provided standards under the heading of General Standards and Disclosure is as follows:

*KPMG Survey of Corporate Responsibility Reporting 2017
**GRI-(G-4) Reporting Framework:**

GRI improved its standards in several times in the year of 2007, 2008, 2009, 2010, 2011, 2012, 2013 and 2014. In 2013 the fourth generation standards GRI G-4 were issued. The General Standards and Disclosures were increased to seven which were four in GRI G-3/3.1

<table>
<thead>
<tr>
<th>Strategy and Analysis</th>
<th>Organizational Profile</th>
<th>Identified Material Aspects and Boundaries</th>
<th>Stakeholders Engagements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Standards and Disclosure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report Profile</td>
<td>Governance</td>
<td>Ethics and Integrity</td>
<td></td>
</tr>
</tbody>
</table>

**Disclosure on Management Approach:**

Each organization following GRI guidelines needs to provide disclosure on Management Approach. The Disclosure on Management Approach consists of three types of disclosure: Economic, Environmental and Social with subcategory in each case.

<table>
<thead>
<tr>
<th>Economic</th>
<th>Environmental</th>
<th>Social</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Economic Performance</td>
<td>i. Material</td>
<td>i. Labor Practices and Decent Work</td>
</tr>
<tr>
<td>iii. Indirect Economic Impacts</td>
<td>iii. Water</td>
<td>iii. Society</td>
</tr>
<tr>
<td>v. Emissions</td>
<td>v. Effluents and Waters</td>
<td></td>
</tr>
<tr>
<td>vi. Emissions</td>
<td>vi. Products and Services</td>
<td></td>
</tr>
<tr>
<td>vii. Products and Services</td>
<td>viii. Compliance</td>
<td></td>
</tr>
<tr>
<td>viii. Compliance</td>
<td>ix. Transport</td>
<td></td>
</tr>
<tr>
<td>i. Material</td>
<td>x. Overall</td>
<td>x.</td>
</tr>
<tr>
<td>ii. Market Presence</td>
<td>xii. Environmental Grievance Mechanism</td>
<td>xii.</td>
</tr>
</tbody>
</table>

**ANALYSIS AND FINDINGS:**

Analyzing the annual reports of selected companies, we find that only a few companies follow GRI guidelines to report on sustainability, some others talk about sustainability but do not follow GRI guidelines, and the rest of the companies do not talk about sustainability at all. The summary of the findings is shown in the following table:

<table>
<thead>
<tr>
<th>Type of Disclosure</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Disclosure</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>28</td>
<td>35.00%</td>
</tr>
<tr>
<td>Partial Disclosure</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>6</td>
<td>7</td>
<td>23</td>
<td>28.75%</td>
</tr>
<tr>
<td>No Disclosure</td>
<td>7</td>
<td>6</td>
<td>7</td>
<td>5</td>
<td>4</td>
<td>29</td>
<td>36.25%</td>
</tr>
</tbody>
</table>

Table: Extent of disclosures of sustainability reporting information as per GRI guidelines

From the above table, we see that only 35.00% of the total firm-years, that is 80, follow GRI guidelines in preparing their sustainability report. There are some other companies which talk about sustainability reporting, but do not follow GRI guidelines in preparing their sustainability report. Even some of them do not prepare any sustainability report; rather they disclose some information regarding sustainability. Their percentage is 28.75% of total firm-years of 80. And the rest of the companies, do not talk about sustainability reporting at all. They do not bother about the sustainability reporting. They focus on their core business. Their percentage is higher from rest of two categories.

However, the trend of sustainability practices is going to be better over the sample period of last five years from 2012 to 2016. It is a positive sign for the regulators of the sector as well as for the Government of Bangladesh. Although full disclosure percentage is declining, partial disclosure is on the increase from 2012 to 2016 with a jerk in 2014, but the number of companies that do not disclose sustainability practices at all is on the decrease with a jerk in 2014. The trend of sustainability practices is shown in the following figure.

Figure: Trend of sustainability reporting practices over the years
CONCLUSIONS AND RECOMMENDATIONS:

From the above discussion, analysis and findings, we can conclude that the NBFI sector in Bangladesh is regulated to a considerable extent in terms of practicing sustainability reporting in their annual reports. It is seen from the analysis that some companies practice sustainability reporting in a good manner as suggested by Global Reporting Initiatives (GRI). Some others also practice sustainability reporting to a small extent. However, many other companies do not practice sustainability reporting at all. But the percentage of companies that follow sustainability in a good manner and in an average manner is not a little at all, rather, it is majority of the sample companies. So, we can say that the sustainability reporting practices by the Non-Bank Financial Institutions (NBFIs) in Bangladesh is considerably good.

There can be drawn some policy guidelines from this paper. The Government as well as the Bangladesh Bank should come forward to encourage sustainable disclosure practices in Bangladesh in accordance with GRI index. They can call all the banks for a strong commitment regarding sustainable disclosure. There can be formed a separate board or supervisory authority for proper monitoring on a regular basis regarding the application of sustainability reporting. Investors and customers’ awareness can be raised regarding sustainability disclosure for implementing sustainability reporting in a standard way.

REFERENCES:


Murray, A., Sinclair; D; Power; D and Gray R(2006). Do financial markets care about social and environmental disclosure?: Further evidence and exploration from the UK, Accounting, Auditing and Accountability Journal, 19(2), 228 – 255.


Abstract:

The current trend of school banking in Bangladesh is spreading up very rapidly. The scheme is not only for helping students and parents with a minuscule amount of savings after a certain period, it is also for instilling the habit of savings from an early age. Therefore, a study has been done to measure both the effectiveness and performance of school banking. Various kinds of information were collected and analyzed to draw the recent scenario of school banking. The low-cost service is very much lucrative to the parents of the students. Up to the month of June, 2017—13 lacs 34 thousand 338 accounts have been opened up and the total deposited amount against these accounts is 1128.73 crore taka. About 78% of the school banking clients are transacting on their account monthly whereas 68% clients are using this service for the payment of the tuition fees. These two statements indicate that the school banking service is not a latent service rather it is using spasmodically. In the case of school banking, the Dutch Bangla Bank Limited (DBBL) has showed up very much satisfactory performance for collecting huge amount of money as they are holding around 52% relevant market share, whereas, the Islami Bank Bangladesh (IBBL) is ahead of in terms of collecting vast number of accounts (31% of total school banking accounts). Furthermore, most of the school banking clients are very much happy with this hassle-free banking facility. Also, this specialized service is very much time savings, easy to access as well as technologically developed.

Keywords: Financial Inclusion, Financial Institutions, Financial Services, School Banking Services.
1. Introduction:
Many banks in Bangladesh are offering students’ savings facilities under different names. Different banks offer different types of facilities according to their policies. The school banking service has been introduced for the school-going children. The legal guardians of the school goers open an account in the name of the school goers, usually, this account is operated by the guardians of the school goers. After being adult, a student account holder can transmute his/her account into conventional banking account. In Bangladesh, at present, there are 57 scheduled banks operating their banking services, and among these around 56 scheduled banks have launched school banking service [2]. Although many banks have been operating school banking services, but these are not successful yet.

2. Rationale of the Study:
Financial institutions are the pillars of the economy of a country. Financial institutions consist of both the banks and the non-bank financial institutions, which are shortly also known as NBFI. Bank, is the nerve center of an economy. This institution is known as financial intermediary and is providing many services by means of different types of services (savings account, fixed deposit account, mobile banking, and pension scheme and so on) to huge numbers of people. School banking has been introduced a few years back. It is natural that the introducers of a new type of service might face different obstacles. The youths might not be able to understand the service of school banking, the branches of banks may not be available at the nearest places, and the service charge might be higher and so on. However, School Banking, which is one of the buzzwords in the financial arena of Bangladesh, is highly appreciable owing to its outstanding performance to attract the young generation to exult the services of the banking sector from their earlier life. Enormous numbers of students are involved in the banking sector by virtue of school banking - a modern banking system concept in the context of Bangladesh.

In the fiscal year of 2017-18, the honorable finance minister proposed, while delivering speech on the proposed budget at the national parliament, to exempt the excise duty on the school banking as it is an emerging opportunity for the young generations to rekindle the banking service [9]. The school banking, moreover, is also contributing to the national economy of Bangladesh. So, considering this we hope it will be very much beneficial to us to determine the performance and prospects of an emerging banking concept in Bangladesh.

3. Objectives of the Study:
To find out the effectiveness of the school banking in the context of Bangladesh - is one of the significant broad objectives in small and developing countries like Bangladesh. At macro level addressing the performance level of school banking; the contribution level to the economy of Bangladesh; identifying some obstacles of this service and providing solutions to resolve the problems for the betterment of this service are probed with primary information which serves as the specific objective.

4. Methodology and Information Source:
The sources of secondary data are very limited in this study. The main reasons are lacking in proper and reliable sources. However, the data of Bangladesh Bank are the most reliable sources of information in this study. Because, from wherever the data have been cited that specific data have been derived from the Bangladesh Bank. The central bank regulates all the banks. That is why all the sources’ information are almost same. But then again, to get the most reliable data, Bangladesh Bank’s website’s report was very much helpful, whereas, The Daily Star—another reliable source of secondary data—has also played a vital role for collection of very recent condition of school banking service. In addition to, different journals have been used to know about others study regarding school banking. Also, some of the banks’ website have been used to written up some of the specifications of school banking service.

The main source of the primary data is survey. Simple random sampling method has been applied in this study, to get the reliable information. The questionnaire (both in English and Bengali Format) was handed over to respondents with a brief introduction to the topic. With number of modifications a questionnaire with 20 questions, among which 9 were five-point Likert scale statements, were developed. These questions were prepared in accordance with the objectives of this research. As the school banking service has been used by the legal guardians of the students (6-17 years of school goers and among this group, who have some form of school banking experience) have been included in the sampling framework. More than 200 hard copy of the questionnaire was distributed and among around 100 respondents were chosen randomly rather not consecutively to gather more accurate data. Moreover, the study was to measure not only the performance level of school banking but also to determine how this service is contributing to our national economy.
Moreover, up to December 31st, 2014—total 49 taking 100 taka as the initial deposited amount/fee. That they can open up school banking account by Bangladesh Bank ordered to other scheduled banks policy under the name of School Banking. The scheduled banks to start a financial inclusion service. In November, 2010; the Central Bank of Bangladesh (2014) revealed that on 2nd November, 2010; the Central Bank of Bangladesh directed (under the BRPD circular number-12) all the scheduled banks to start a financial inclusion policy under the name of School Banking. The Bangladesh Bank ordered to other scheduled banks that they can open up school banking account by taking 100 taka as the initial deposited amount/fee. Moreover, up to December 31st, 2014—total 49 banks operated school banking in both the rural and urban area. The ratio of account opening in rural to urban is 3:5. The total number of account holders in private commercial banks were 5.5 lac (maximum)—which is 65% of total number of accounts (8.5 lac) of school banking—as well as total deposited amount was 527.13 crore taka—73.47% of total deposited amount (717.49 crore taka) of school banking.

5. Literature Review:
In one study, Bowmen (1922) reported that the educational system was only for teaching some mundane things such as: morality, agriculture, social concept and so on, but the educational system was not able to teach students how to save money. But thriftiness is the way to save money for the future. As a result, the concept of “School Savings Bank” was introduced to encourage students to save their money. The first school savings bank was found at Goshar, Germany in 1820. Then it was also introduced to France in 1834, and continuously spreading up this service among different countries of the world. In the 1921, around 3,000 school adopted that school savings bank scheme.

After analyzing the above scenario, it can be concluded that the saving scheme for the school goers not very new concept in the world rather it was introduced very earlier period. Today’s school banking system has evolved through “School Savings Bank” concept—earlier which concept was adopted by the school authority. Moreover, at the introduction phase, this initiative was successfully able to grab so many school goers towards their involvements for savings.

In a report on “The school Banking System (2016)”, it was mentioned that the school banking initiative, prior to, a Muslim bank along with some other banks—introduced in 1960—the Pakistan period. Unfortunately, their attempts failed to attract school goers to take the service. Later on, the Arab Bangladesh Bank Limited, which is the first private bank in Bangladesh and currently operating under the name of AB Bank Limited, introduced school banking in 2003. The place of their operation was Sunshine Grammar School which is situated in Chittagong. Again, unfortunately Arab Bangladesh Bank’s attempt went in vein.

The quarterly report on school banking by Bangladesh Bank (2014) revealed that on 2nd November, 2010; the Central Bank of Bangladesh directed (under the BRPD circular number-12) all the scheduled banks to start a financial inclusion policy under the name of School Banking. The Bangladesh Bank ordered to other scheduled banks that they can open up school banking account by taking 100 taka as the initial deposited amount/fee. Moreover, up to December 31st, 2014—total 49 banks operated school banking service. Around 30000 accounts have been opened under this new banking service. The service is going to cover so many facilities including: payment of tuition fees, debit card, internet banking and so on. However, within one year, the participation of 17 banks seem a positive-look for the future of school banking. The nature of school banking service will be, undoubtedly, different than the conventional banking service. The service is to manage money for the future of school banking. The nature of school banking service will be, undoubtedly, different than the conventional banking service. The service is going to cover so many facilities including: payment of tuition fees, debit card, internet banking and so on. However, the CEO of EBL is very much optimistic in this newer service. He has said that, “We believe that when it comes to a child’s education, knowing how to manage money is just as essential as English, math, science or arts.”

Another study revealed that out of 47 banks of Bangladesh, 36 banks have already started the school banking service. Around 30000 accounts have been opened under this new banking service. Though it is difficult to cover huge number of account holder, banks are hopeful to attract the young generation by providing more attractive services. Not only the banks are playing a saving habitual building among the students but also there are some banks which will bear the study cost if the parents of the student (school bank account holder) die. So, indisputably, this will help to increase both the school banking account opening and deposit scheme. The guardians of the students are facing some obstacles while opening the account as this is a newer service to everyone, and in this case the bankers are helping them whatever they need to get. Although banks are not operating school banking for the profit motive rather they are operating this scheme to introduce banking system among the youngsters from their
early age. Moreover, banks are hoping that these youngsters are going to be their general customer in the future more specifically after the age of 18 (Rabbany et al., 2015). Mondal et al. (2015) has told that approximately Tk. 7,175 million has been collected under school banking system in Bangladesh. In 2014, number of accounts under school banking has been increased about 287% that of 2013—2, 95,802 accounts. Apart from the general banks like EBL and DBBL, the Islamic Banks are also playing a vital role for spreading up the services of school banking. It seems all types of banks are eager to participate in the “Financial Inclusion” step which has been adopted by the Bangladesh Bank. The trend of school banking is upward in the context of Bangladesh. The school banking service is provided not only in the urban area, but also in rural area. However, in terms of Bangladesh, the private commercial banks are leading in the school banking market share by collecting deposit of 528.98 crore taka under the school banking scheme in the year of 2014. So, undoubtedly, they have the green signal to be an icon for the school banking for the other types of banks of Bangladesh.

We witnessed that around 49 banks are prepared to conduct the school banking service in Bangladesh along with 8,50,303 accounts have been opened under school banking scheme. Moreover, DBBL is the market gainer (25.6% of total deposit) to attract students to open up accounts as well as Islami Bank Bangladesh Limited has created highest number of bank accounts (21% of total accounts). However, apart from these numerical increments there are some other prospects of these school banking scheme. This savings habit from the earlier age can lead a student economically enriched in the future. Because currently, students do not need to contribute huge amount of money into their accounts rather they need to save a small portion of the amount of money. On the contrary, the central bank of Bangladesh is fulfilling its mission of the “Financial Inclusion” by means of a specialized tool—School Banking. This giant step, school banking, may reduce poverty in our society. If this scheme is spreading up like present status, the overall people will be able to involve with banking sector and in the upcoming days, the students are going too participated importantly to the national economy of Bangladesh (Touhidul Alam et al., 2017).

6. Analysis of the Study:

Information in tables as well as figures have been presented based on Field survey—October, 2017 except table 5 and 5.1. Analysis based on these two tables is being developed compiling data from the Bangladesh Bank based on “Financial Inclusion Policy up to June 30, 2017”.

6.1 Target Market for Banks:

Table 1: Demographic Profile of Respondents (in Percentage)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>6-9</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>10-13</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>14-17</td>
<td>18</td>
</tr>
</tbody>
</table>

Source: Primary survey, October 2017.

Table 1 exhibits the detailed sample profile. The demographic table shows more than 53% of the school banking account holders’ fall into the age bracket of 10-13 years and are contributing more in the school banking service compare to other ages of the students. This group are usually the target market for banks.

6.2 Poor knowledge and insufficient promotion tools regarding School Banking:

Table 2: Knowledge about School Banking (in Percentage)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge about School Banking</td>
<td>Very poor</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>Poor</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Moderate</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Much Knowledge</td>
<td>4</td>
</tr>
<tr>
<td>Sources of Information for School Banking</td>
<td>Campaigns</td>
<td>72</td>
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<tr>
<td></td>
<td>Branch of Bank</td>
<td>15</td>
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<td></td>
<td>Newspaper</td>
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<tr>
<td></td>
<td>Other</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: As above table 1.

The school banking knowledge among the respondents are not that much sufficient and they are not fully aware regarding the school banking facilities. Our investigation suggests that most of the clients (around 72%) of school banking do not know that much regarding the service. So, they are just using the service as usual. On the other hand, any other awareness steps which have been taken by the banks to aware the mass people regarding the school banking service is not that much fruitful other than the campaigning (around 72%) (table 2). So, the campaigns of the banks are ahead of any other endeavors to spread out regarding this service.
6.3 Transaction frequency as well as amount are satisfactory:

The maximum transaction is occurring once in a month. So, it can be assumed that most of the guardians are availing this special service for the payment of tuition fees for the tutors or the educational institutions. Because, there are so many schools which accept tuition fees from the school banking account. As a result, payment of tuition fee system ease to increase school banking account holders (table 3).

6.4 Faster type of transaction and technologically advanced system help to increase the acceptance rate of school banking:

The number of clients who are withdrawing money from ATM booth is almost three times more than those who withdrawing money from the banks. Notably, the account holder of the school banking account, usually, gets a free debit card facility. This facility could be another reason for the wide acceptance rate of the school banking. Because, to transact, the guardians need not to go to the branch of the banks and wait in the long queue for the as usual transaction (table 3).

Table 3: Behavioral and Psychographic Statistics of Respondents

<table>
<thead>
<tr>
<th>Variables</th>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency of transaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weekly</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Monthly</td>
<td></td>
<td>78</td>
</tr>
<tr>
<td>Quarterly</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Bi-annually</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Annually</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>22</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variables</th>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction Amount (per month)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 1000 taka</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>1000-8000 taka</td>
<td></td>
<td>61</td>
</tr>
<tr>
<td>8001-14000 taka</td>
<td></td>
<td>27</td>
</tr>
<tr>
<td>14001-20000 taka</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>More than 20000 taka</td>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

Private banks are playing significant role in comparison to Government banks. It can be stated that the Dutch Bangla Bank Limited (DBBL) is the market leader in terms of collection of deposit collection. However, the government banks’ performance in that case is not satisfactory (table 3). The possible reasons could be for the failure of less effort to aware mass people; narrow range of facilities and hence guardians reluctant attitude to take the service from the government banks.

6.5 Effectiveness of School Banking:

After introducing the service since 2010, the trend of school banking service is going up. A wide variety of facilities have paved the way of widespread of school banking service.
Table 4: Measures to Evaluate Functioning of School Banking (in percentage)

| Age of the school goers | Measures |  |  |  |
|-------------------------|----------|------------------|------------------|
|                         |          | The service can inspire youths for savings |
| Age Category            | Agree    | Strongly Agree   | Total            |
| % within Age of the school goers |          |                  |                  |
| (6-9)                   |          |                  |                  |
| % within the service can inspire youths for savings | 31.9% | 21.4% | 29.0% |
| % of Total | 23.0% | 6.0% | 29.0% |
| % within Age of the school goers |          |                  |                  |
| (10-13)                 |          |                  |                  |
| % within the service is able to inspire youths for savings | 50.0% | 60.7% | 53.0% |
| % of Total | 36.0% | 17.0% | 53.0% |
| % within Age of the school goers |          |                  |                  |
| (14-17)                 |          |                  |                  |
| % within the service is cost effective | 18.1% | 17.9% | 18.0% |
| % of Total | 13.0% | 5.0% | 18.0% |
| Total                   |          |                  |                  |
| % within Age of the school goers |          |                  |                  |
| (6-9)                   |          |                  |                  |
| % within the service can inspire youths for savings | 79.3% | 20.4% | 100.0% |
| % of Total | 79.3% | 20.4% | 100.0% |
| % within Age of the school goers |          |                  |                  |
| (10-13)                 |          |                  |                  |
| % within the service is cost effective | 42.3% | 57.7% | 100.0% |
| % of Total | 27.0% | 73.0% | 100.0% |
| % within Age of the school goers |          |                  |                  |
| (14-17)                 |          |                  |                  |
| % within the service is cost effective | 72.2% | 27.8% | 100.0% |
| % of Total | 72.2% | 27.8% | 100.0% |
| Total                   |          |                  |                  |
| % within Age of the school goers |          |                  |                  |
| (6-9)                   |          |                  |                  |
| % within The Service is very much beneficial | 88.9% | 11.1% | 100.0% |
| % of Total | 88.9% | 11.1% | 100.0% |
| % within Age of the school goers |          |                  |                  |
| (10-13)                 |          |                  |                  |
| % within The Service is very much beneficial | 20.0% | 80.0% | 100.0% |
| % of Total | 20.0% | 80.0% | 100.0% |
| % within Age of the school goers |          |                  |                  |
| (14-17)                 |          |                  |                  |
| % within The Service is very much beneficial | 16.0% | 84.0% | 100.0% |
| % of Total | 16.0% | 84.0% | 100.0% |
| Total                   |          |                  |                  |
| % within The Service is very much beneficial | 100.0% | 100.0% | 100.0% |
| % of Total | 100.0% | 100.0% | 100.0% |

Note: a. Figure in the parentheses indicates number

Source: As above table 1

6.5.1 The youths are really contributing satisfactory to the national economy:

The step of the school banking service, mainly, taken for the financially inclusive the youths from the earlier childhood. Rapidly, the step has become successful. Consequently, the Finance Minister of Bangladesh, Mr. Abul Mal Abdul Muhit, has exempted the excise duty on the school banking account. Because, the performance of the school banking is outstanding in the banking industry as well as it is now contributing to the national economy (table 4).

6.5.2 School banking service is very much cost effective:

Low service cost, free from excise duty, free from tax—these special benefits have eased the way of acceptance of the school banking service. Even, a student needs to deposit only 100 taka as an initial deposit amount. As a result, the guardians of the students are interested to open a school banking account (table 4).
6.5.3 The school banking service is secured and hassle free:

As the school banking service has been introduced to interact with the school goers, the school banking activities have been kept hassle free as much as possible by the banks by providing a debit card as well as cheque to the guardians for the transactions. Because, if this service operation is like the conventional banking system then it is natural that the youngsters of the parents will not willing to respond to any complicated activities even it is the financial issue which is very much sensitive. That is why most of the respondents are agree on the point that this service is secured (fig. 1).

Table 5: School banking account opening information

<table>
<thead>
<tr>
<th></th>
<th>Rural Branches</th>
<th>Urban Branches</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male student</td>
<td>Female student</td>
<td>Male student</td>
</tr>
<tr>
<td>Number of accounts</td>
<td>2,88,501</td>
<td>2,33,414</td>
<td>4,82,637</td>
</tr>
<tr>
<td>Deposit (amount in crore taka)</td>
<td>151.44</td>
<td>115.59</td>
<td>496.16</td>
</tr>
</tbody>
</table>

Source: Compiled from Data of Bangladesh Bank

6.5.4 School banking service should have the access to greater facilities:

For both rural and urban context, in terms account openings, male students are ahead of female students and are participating more to deposit in their school banking account. 61% of the urban students are enjoying school banking service whereas only 39% of the rural students have taken this service. By calculating the comparative percentage, it can be stated that the number of accounts of urban students is 169% more than that of the rural students. So, the tendency of the account opening is more among the urban students compare to the rural students (table 5 and 5.1 respectively).

All the services of the world are becoming more and more advance to facilitate a wide range of customers. So, the clients of school banking account ask for more wide range of facilities which can lead the school banking system to the apex of success. Moreover, the rural students are laggard compare to the urban students both in terms of depositing money and opening account. One notable disadvantage for the rural school banking account holders is that they need to go to the banks, usually, for transactions. Because, there are absence of booth facility of the banks. So, it will raise their account maintenance cost by frequently visit to the branch of the bank. Moreover, compare to the urban students, they have limited access to avail some other facilities of the school banking (figure 1).

7. Conclusion:

Literally, it is evident from the data that the effectiveness of school banking is satisfactory. However, as school banking is a new concept in Bangladesh, there are some drawbacks which are hindering prospects. If proper steps have been taken then not only the obstacles will be eradicated but also many attracting facilities will be able to grab vast number of students to become a family member of banks. Hopefully, by the following years, under the school banking service, banks will introduce more facilities. However, banks should not consider the school banking as a profit-making source rather they should consider it as a financial inclusion from the early stage of the life. Aftermath, young generations will be able to gather financial or banking literacy along with habit of savings from the practice of school banking.
8. Recommendations:
Though some banks are performing satisfactorily, and have huge number of clients but to bring more satisfaction level among the clients, banks need to develop this service to some extent. The development policies should focus on the various arena of school banking like the security system, problem solving service, increasing the number of ATM booths etc. It is desirable that if banks follow these recommendations then both the banks and clients will be benefited. So, here are some recommendations to make the service more attractive:

• Apart from DBBL, other private banks along with government banks should take proper initiatives to facilitate school banking service.

• There are some private banks who are excising service charge on school banking, this practice should be minimized as much as possible or stopped fully as school banking is a blooming service.

• School banking transaction should be more secured as other banking services. As this is a non-profit service, there is a chance that banks might not be that much careful about this service. But, in that case, banks must show their utmost hospitality toward the students. Because, today’s school goers are the future’s regular/general client.

• Coverage of service area should be extended—student education insurance, different types of accounts under the school banking scheme.

• Anti-money laundering policies should be implemented by the banks. Also, it should be strictly monitored by the banks. Like, they can monitor on the suspicious account number or the transaction amount.

• Banks should follow the directions provided by the Bangladesh Bank or the Government. Also, Banks’ should provide a special contact number to which clients can complain if they have any.

• More marketing/campaign effort should be given in the rural area as they are laggard compare to the urban area.

• Last but not the least, the government should take some initiatives regarding the rebate of excise duty on school banking to boost up the ultimate performance of school banking.

It is observable that, most of the facilities they have implemented already. Now, these facilities just needed to be updated or upgraded to some extent for keeping abreast the upward trend school banking clients so that the step of financial inclusion by the government of Bangladesh becomes an icon in the banking industry.

References
Abstract

The Foreign Exchange Market in Bangladesh has undergone substantial changes over the last decades. It is imperative by the excessive volatility of Bangladeshi Taka causing its depreciation against major dominating currencies in international market. This research has been carried out in order to investigate various macroeconomic variables leading to acute variations in the exchange rate of a currency. An attempt has been made to review the probable reasons for the depreciation of Taka and analyze different determinants that have impact on the volatility of exchange rate and their extent of correlation with the same.

Keywords: Exchange Rate; Foreign Exchange Market; Current Account; Exchange Rate Volatility; International Trade.
INTRODUCTION

Developing countries like Bangladesh desperately needed to achieve and maintain higher growth rates in order to have any hope of overcoming poverty. One of the most important sources of growth is the external sector. A well functioning external sector can enable Bangladesh to have competitive exports and favorable domestic investment climate to attract foreign capital and technology. The achievement of these conditions ultimately depends on the dynamics of prices in Bangladesh relative to those of its trading partners and competitors or the real exchange rate.

Foreign Exchange rate (ForEx rate) is one of the most important means through which a country’s relative level of economic health is determined. The exchange rate is defined as “the rate at which one country’s currency may be converted into another”. It may fluctuate daily with the changing market forces of supply and demand of currencies from one country to another. For these reasons, when sending or receiving money internationally, it is important to understand what determines exchange rates. A country’s foreign exchange rate provides a window to its economic stability, for this reason, it is constantly watched and analyzed.

Foreign Exchange rate is the rate at which one currency can be exchanged for another. It is the value of one nation’s currency in terms of another’s. The growth and investment have had a tendency to increase after the improvement of terms of trade and eradication of real exchange rate overvaluation. Real currency depreciation has been found to improve country’s balance of payments position.

Therefore, it is very crucial that policy makers are equipped with knowledge of how and why the real exchange rate would move in particular direction overtime.

KEY FACTORS THAT AFFECT FOREIGN EXCHANGE RATE

1. Inflation Rates: Changes in market inflation cause changes in currency exchange rates. A country with a lower inflation rate than another’s will see an appreciation in the value of its currency. The prices of goods and services increase at a slower rate where the inflation is low. A country with a consistently lower inflation rate exhibits a rising currency value while a country with higher inflation typically sees depreciation in its currency and is usually accompanied by higher interest rates.

2. Interest Rates: Changes in interest rates affect currency value and exchange rate. ForEx rates, interest rates, and inflation rates are all correlated. Increases in interest rates cause a country’s currency to appreciate because higher interest rates provide higher rates to lenders, thereby attracting more foreign capital.

3. Country’s Current Account / Balance of Payments: A country’s current account reflects the balance of trade and earnings on foreign investment. It consists of total number of transactions including its exports, imports, debt, etc. A deficit in current account due to spending more of its currency on importing products than earning through sale of exports causes depreciation. Balance of payments fluctuate exchange rate of its domestic currency.

4. Government Debt: Government debt is public debt or national debt owned by the central government. A country with government debt is less likely to acquire foreign capital, leading to inflation. Foreign investors will sell their bonds in the open market if the market predicts government debt within a certain country.

5. Terms of Trade: Related to current accounts and balance of payments, the terms of trade is the ratio of export prices to import prices. A country’s terms of trade improves if its exports prices rise at a greater rate than its imports prices. This results in higher revenue, which causes a higher demand for the country’s currency and an increase in its currency’s value.

6. Political Stability & Performance: A country’s political state and economic performance can affect its currency strength. A country with less risk for political turmoil is more attractive to foreign investors. Increase in foreign capital, in turn, leads to an appreciation in the value of its domestic currency. A country with sound financial and trade policy does not give any room for uncertainty in value of its currency. But, a country prone to political confusions may see a depreciation in exchange rates.
7. **Recession**: Recession refers to a general downturn in any economy. A recession is associated with high unemployment, slowing Gross Domestic Product (GDP) and high inflation.

8. **Speculation**: If a country’s currency value is expected to rise, investors will demand more of that currency in order to make a profit in the near future. As a result, the value of the currency will rise due to the increase in demand. With this increase in currency value comes a rise in the exchange rate as well.

**LITERATURE REVIEW**

The topic of currency exchange rates and factors influencing their changes have been reviewed by many scholars in the last decades and still remains to be one of the hot topic in international economic studies.

Hong and Lee (2003) and SMeese and Rogoff (1990) made use of non parametric method to document with the intention of still non parametric models were not clever enough to do better than random walk model in the meadow of exchange rate forecast.

Lanyi and Suss (1986) investigated that the exchange rate unpredictability had an effect on the domestic currency in addition to prices of exports and imports and international trade.

Simon (1997) found that exchange rate and current account have direct and positive relationship with inflation and both exchange rate and current account were the key factors that badly affect the small economies.

Edwards (2000) investigated the dynamic association between exchange rate regimes, capital flows and currency crises in emerging economies. The study based on lessons learned during 1990s, and deals with some of the most important policy controversies that emerged after the Mexican, East Asian, Russian and Brazilian crises. He concluded that under the appropriate conditions and policies, floating exchange rates could be effective and efficient.

Taylor (2001) discussed the failure of liberalized policies in Argentina. He said that Argentina had failed in maintaining the liberalized policies about capital flows and a firm currency. Argentina had anti-inflation program based on freezing the exchange rate in the early 1990s. This means that the money supply within the country and the supply of credit to firms are tied directly to international reserves. So if the country gets capital inflows, the supply of money and credit increases, leading to a substantial increase in domestic prices.

Harberger (2003) studied the impact of economic growth on real exchange rate. He found that there was no systematic connection between economic growth and real exchange rate.

Due and Sen (2006) examined the interactions between the real exchange rate, level of capital flows, volatility of flows, fiscal and monetary policy indicators and the current account surplus for Indian economy for the period 1993 to 2004. The estimations indicated that the variables were co integrated and each Granger causes to the real exchange rate.

Aizenman et al. (2010) found that the confirmation of a structural break in the data series after the Asian financial crisis, where external debt and financial openness were strong forecaster of the foreign exchange reserves, while openness of trade was not significant after the financial crisis.

Husain et al. (2015) found in their study that little access to international capital was available for the weaker and less developed countries, so low rate of inflation and higher level of durability was associated with fixed exchange rate regime in those countries. However, they found no robust relationship between economic performance and exchange rate regime in the developing economies. They also found that advanced economies may experience durable and slightly higher level of growth rate without higher level of inflation in flexible exchange rate regime.

**OBJECTIVES OF THE STUDY**

Exchange rate is a key variable in the context of general economic policy making as its appreciation or depreciation affects the performance of other macroeconomic variables in any economy. In the light of its importance, every country pays so much attention to the appropriateness of its foreign exchange policy. Therefore, the main objective of this study is to find out the impact
of some macroeconomic variables on exchange rate in Bangladesh using US dollar as a benchmark currency.

**METHODOLOGY**

This research has been carried out in order to determine how the macroeconomic variables influence foreign exchange rate. The research is based on secondary data. The data fall into analysis is obtained from the website of Bangladesh Bank. In this research the multiple regression model is being used to find out the impact of macroeconomic variables on foreign exchange rate. The model is:

\[ FXGR = \beta_0 + \beta_1BOPGR + \beta_2GDPGR + \beta_3IRGR + \beta_4DRGR + \beta_5LRGR + \beta_6FRGR + e \]

**ANALYSIS AND FINDINGS**

In order to achieve the objectives it was assumed that,

Ho (Null Hypothesis): There is no significant positive relationship between exchange rate and any of Gross Domestic Product (GDP), Balance of Payment (BOP), foreign reserves, Composite Consumer Price Index (Inflation rate), deposit rate and lending rate.

Ha (Alternative Hypothesis): There is a positive relationship between exchange rate and any of Gross Domestic Product (GDP), Balance of Payment (BOP), Foreign reserves, Composite Consumer Price Index (Inflation rate), deposit rate and lending rate.

With respect to period, this work focuses on a 10-years period of 2006-2016 To determine the extent to which GDP, BOP, Foreign Reserves, Inflation and interest rates impact on exchange rate, a multiple regression analysis has been conducted.

The model is:

\[ FXGR = \beta_0 + \beta_1BOPGR + \beta_2GDPGR + \beta_3IRGR + \beta_4DRGR + \beta_5LRGR + \beta_6FRGR + e \]

While running multiple regression model there may three problems be occurred:

- Heteroskedasticity
- Multicollinearity
- Autocorrelation

**Heteroskedasticity:**

In statistics, a collection of random variables is heteroskedastic if there are sub-populations that have different variabilities from others. Here “variability” could be quantified by the variance or any other measure of statistical dispersion. Thus heteroskedasticity occurs due to the absence of homoscedasticity.

Breusch and Pagan Test was used here to check the data whether there is any Heteroskedasticity exist between the data set or not.

**Breusch and Pagan Test:**

Breusch and Pagan Test show whether there exists significant relationship between residuals and dependent variable. In this case, the value of the probability (>Chi²) is compared with the 5% level of significance. If it falls below 5% level of significance, then it is concluded that there exists Heteroskedasticity problem and vice versa.

Stata command for testing Heteroskedasticity under Breusch and Pagan Test is:

```
.hettest
```

**Stata output for testing Heteroskedasticity**

```
Breusch – Pagan / Cook-Weisberg test for heteroskedasticity
H0 : Constant variance
Variables : Pitted value of fxgr
ch2 < 1 = 0.75
prob > ch2 = 0.3857
```

**Stata Output: Breusch and Pagan Test**

Under Breusch and Pagan Test, Null hypothesis states that there does not exist heteroskedasticity problem or the variance is constant. Breusch-Pagan / Cook-Weisberg test for Heteroskedasticity implies that, here does not exist a significant relationship (at 5% level of significance) between dependent variable and residuals. The relation is insignificant. So, there is the no problem of Heteroskedasticity (as prob 0.3857 > .05).
Multicollinearity:
Multicollinearity is a statistical phenomenon in which two or more predictor variables in a multiple regression model are highly correlated. Multicollinearity refers to a situation in which two or more explanatory variables in a multiple regression model are highly linearly related. More commonly, the issue of Multicollinearity arises when there is a strong linear relationship among two or more independent variables. In the presence of high Multicollinearity, the confidence intervals of the coefficients tend to become very wide and the statistics tend to be very small. It becomes difficult to reject the null hypothesis of any study when Multicollinearity is present in the data under study. In the stata output of regression model for testing the existence of Multicollinearity problem, we can see that Prob > F = 0.5420, which is greater than .05 and indicates the non-existence of Multicollinearity problem in the stated data set.

Autocorrelation:
Autocorrelation is actually a mathematical representation of the degree of similarity between a given time series and a lagged version of itself over successive time intervals. It is the same as calculating the correlation between two different time series, except that the same time series is used twice - once in its original form and once lagged one or more time periods. The term can also be referred to as “lagged correlation” or “serial correlation”.

Durbin-Watson test:
In statistics: The Durbin–Watson statistic is a test statistic used to detect the presence of autocorrelation (a relationship between values separated from each other by a given time lag) in the residuals (prediction errors) from a regression analysis.

Autocorrelation Test:
To identify the autocorrelation problem we go for the tests mentioned above-

Durbin-Watson Test
Step-1: For this test, at first the time period for which this test is to be done, is specified. Stata command for this is-

```
.tsset year
```

Stata output for this is as follows-time variable: year, 2006 to 2016

Step-2: Then regression on the variables is to be done. Stata command for this is -

```
.dwstat
```

Stata output for this is as follows:

```
.Durbin – Watson d - statistic < 7, 10 > = 2.421916
```

Stata Output: Durbin-Watson test
In case of DW Test, if the value of d statistics is greater than 1 it explains that there is no significance. As the value of d statistics in our calculation is also greater than 1 (d=2.421916), so there is no significance in the data set and the data do not have autocorrelation problem.
Statistical Output: Regression Analysis

Interpretation: Here, the number of observations = 10, R Square is 0.6686 that means the Independent variables as a whole can explain 66.86% variations of Dependent variables.

\[ Y = 0.010217 + 0.09926BOPGR - 0.0726104GDPGR + 0.0214947RGR + 0.0231873DRGR + 0.121847X5LRGR + 0.0175302FRGR \]

From the equation we see that, the constant is \( \beta_0 = 0.010217 \). The \( \beta_0 \) accounts for the portion of the foreign exchange rate that is not affected by changes in the independent variables. The other coefficients indicate that an increase of 1% of BOP growth rate, the Foreign exchange growth rate will be increased by 9.93%; an increase of 1% of GDP growth rate, the Foreign exchange growth rate will be decreased by 7.26%; an increase of 1% of Inflation Rates growth rate the Foreign exchange growth rate will be increased by 2.15%; an increase of 1% of Deposit rate growth rate the Foreign exchange growth rate will be increased by 2.32%; an increase of 1% of Lending Rate growth rate, the Foreign exchange growth rate will be increased by 12.18% & lastly an increase of 1% of Foreign reserve growth rate the Foreign exchange growth rate will be increased by 1.75%. The observed F-statistic of 1.01 which is higher than the critical value at 5% level of significance so we can’t be able to accept null hypothesis.

CONCLUSION

The main objective of this study is to find out the impact of some macroeconomic variables on exchange rate in Bangladesh using US dollar as a benchmark currency. From the analysis we can see that Gross Domestic Product growth rate, Balance of Payment growth rate, Inflation rate growth rate, Deposit rate growth rate, Lending rate growth rate & Foreign Reserves growth rate can explain 66.86% variations of Foreign exchange growth rate. There is a negative relationship between Foreign exchange growth rate and GDP growth rate. But there exists positive relationship among Foreign exchange growth rate with BOP growth rate, Inflation rate growth rate, Foreign Reserve growth rate, Deposit rate growth rate, Lending Rate growth rate.

REFERENCES


Tax Evasion in BANGLADESH: Causes, Consequences and Remedies

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Abstract
Tax evasion is a problem sans frontier. The developing countries and the transition economies are the worst sufferers of tax evasion. Bangladesh is no exception. The informal economy is very strong in Bangladesh. Compliance rate is low and tax culture is poor. Every year billions are siphoned away from Bangladesh to the detriment of the much needed revenue. The purpose of the present article is to discuss the causes, consequences and remedies of tax evasion in Bangladesh.

Keywords: Tax Evasion, Income Tax, Bangladesh.

Part I: Introduction
Tax evasion involves the violation of tax law, where taxpayers do not report their exact taxable income or tax to be paid on that income, as per taxation law (Sandmo, 1998). It is a premeditated and deliberate failure by taxpayers to comply with their tax obligations (Franzoni, 1998). Every tax system faces the problem of tax evasion and avoidance (Kaibel and Nwokah, 2009). Minimizing tax evasion creates a challenge for the tax administrations (Home, 2005) of both developed and developing countries. In the US, 17 per cent of income taxes are unpaid each year. (Fisman and Wei, 1994). In Europe, $1.3 trillion is lost every year due to tax evasion (Plogander, 2013). In Australia, there is tax evasion. Schneider finds that the average value of the underground economy in Australia, Canada, Japan, New Zealand and the US in 2010 was 9.7 per cent, and, in 2013, was 8.6 per cent (Schneider, 2013).

While all countries experience tax evasion, the problem is more serious in developing countries, such as Bangladesh. Systematic large-scale tax evasion is omnipresent in many developing countries (Flatters and Mcleod, 1995). Buehn and Schneider estimate that the average size of the shadow
economy in developing countries in 2007 comprised 37.4 per cent of the GDP (Buehn and Schneider, 2012). Government estimation in Bangladesh reveals that the black economy comprised 80 per cent of the GDP—some $110 billion (The Economist, 2011). Hasan (2009) finds the size of the shadow economy in Bangladesh to be 38.1 per cent. Thus, in Bangladesh, the famous saying that ‘there is nothing certain in the world except death and taxes’ appears to be a myth, given that tax can be evaded with ease (Stiglitz, 1983). However, the purpose of the present article is to discuss the causes, consequences and remedies of tax evasion in Bangladesh. The article is arranged as follows. Part I gives an introduction. Part II discusses the causes of tax evasion in Bangladesh while part III discusses the consequences of tax evasion. Part IV discusses some of the ways and means that the National Board of Revenue undertook to combat the problem of tax evasion in Bangladesh. Part V gives a conclusion.

Part II: Causes of Tax Evasion in Bangladesh

The causes of tax evasion in Bangladesh are multiple, with evasion motivated by many factors (Akram et al., 2012). These factors have been found by various researchers as being related to peer effect, age, gender, level of income, status, economic position, education, source of income, the probability of being caught and punished, the marginal tax rate, the complexities of the tax system, high compliance costs, inefficiencies in tax collection, weak enforcement of the law, low tax morale and many others. No single factor is solely responsible for tax evasion in a given society. Against this backdrop, the main reasons for tax evasion in Bangladesh are discussed below.

1. High Tax Rate

A high tax rate is generally thought to be one of the main causes of tax evasion. Alingham and Sandmo (1998), Clotfelter (1983), Wallschuztk (1984) and Bayer (2006) find a positive relationship between tax evasion and tax rate. Fisman and Wei found that any increase in tax rate is likely to produce a reduction, rather than an increase, in tax revenue (Fisman and Wei, 1994). Likewise, the high rate of tax in Bangladesh is thought to be one of the main reasons for tax evasion (Hussain, 2003), and survey evidence supports this claim (RIRA, 2003). Waresi (2012) argues that the corporate tax rate is high compared to the rates in other countries, while the average tax rate in Bangladesh is 35 per cent, which is considered high (PWC, 2013). Thus, the tax rate should be adjusted as a measure to reduce tax evasion in the country.

2. Corruption in the Income Tax Department

It is argued that corruption encourages tax evasion (Tanzi and Davoodi, 2000). Corruption is generally perceived as the misuse of public power for private gain (Schneider, 2013). Schneider observes that high levels of corruption among bureaucrats and government officials create a larger informal economy. Corruption reduces the size of the GDP, increases the size of the informal economy, distorts the tax structure, and destroys the morality of taxpayers, thereby eventually attenuating the revenue collection capacity of the economy (Transparency International, 2012). Tanzi and Davoodi (2000) find a statistically significant negative correlation between corruption and personal income taxes, where a one percent increase in corruption causes a 0.63 per cent reduction in income tax.

The situation is more alarming in developing countries such as Bangladesh (Tanzi and Davoodi, 2004), where corruption in the ITDB is another cause of tax evasion. Average taxpayers believe that tax officials are corrupt, and taxpayers must pay bribes to tax officials in order to complete their tax assessments. Survey evidence supports this claim—previous research has found that more than 50 per cent of the taxpayers surveyed stated that they had been asked by tax officers to pay bribes, while 58.5 per cent of the survey respondents thought that corruption in the tax department was a cause of tax evasion (RIRA, 2005).

3. Political Intentions

Kim (2008) argues that tax evasion is positively related to the political intentions of the government. In developing countries, politicians try to control the tax administration for political gain. In Bangladesh, governments often influence tax policies to gain political support from the influential and wealthy members of society. For example, during the 1980s, the government pressured the income tax administration to pass a law so that politicians could receive gifts from relatives, without paying tax. As such, these politicians received millions of dollars of ‘gifts’ from fictitious relatives, with no questions asked. These provisions of the law allowed black money holders to launder their black money and evade a huge amount of tax (Waresi, 2012).
4. Lack of Information
Information is vital to detect tax evasion and improve voluntary compliance. According to Lederman, the main problem encountered by tax administrations is information asymmetry (Lederman, 2003). In most cases, the authority must depend on the taxpayer to provide information about the taxpayer's income. Likewise, the ITDB faces the problem of asymmetric information on taxpayers' financial transactions. Due to the lack of an effective information reporting regime, the ITDB is in no position to gather information about taxpayers. Therefore, taxpayers are able to misrepresent or conceal the true state of their affairs in order to reduce their tax liability.

5. Inefficient Tax Administration
The effectiveness of a tax system not only depends on proper tax legislation, but also on the efficiency of the tax administration (Kaldor, 1964). Kaldor (1994) observes that the tax administrations of developing countries are generally inefficient and ineffective, although some have been more successful in recent years (OECDE, 2011). As a developing country, Bangladesh shares this common feature. Thus, inefficiency of the tax administration remains another cause of tax evasion in Bangladesh. This is evident from the poor level of enforcement, which encourages tax evasion (Richardson, 2008). Complex regulations and the inefficiencies of tax officers are identified as causes of the large shadow economy in Bangladesh (Dusk, 2011).

6. Inadequacies and Complexities of the Tax Law
Tax law complexities and inadequacies provide opportunities for tax evasion by discouraging honest taxpayers to be noncompliant, and encouraging dishonest taxpayers to create ways to evade tax by passing laws with the help of tax advisers and big law firms (Braithwaite and Braithwaite, 2001). The present tax statute of Bangladesh is complex and full of rebates and exemptions (Warresi, 2012). A tax statute is complex if, under the law, compliance becomes difficult, requires a significant amount of money, and is not easy to comprehend by taxpayers (TAS, 2012).

Hussain (2003) and Akhand (2012) state that the income tax law of Bangladesh is complex. This is demonstrated by the Income Tax Manual, which is divided into two parts, with Part I alone containing 184 sections and eight schedules. These sections are again divided into numerous subsections, while the schedules are divided into several parts. In addition, every year, the parliament passes finance acts that cause various changes in the income tax law. To apply these finance acts, the NBR issues circulars, statutory rules and orders, and various clarifications. This frequent change to the law is another major cause of complexity. The income tax law also depends on various other laws of the land for proper implementation; thus, the income tax laws of Bangladesh are complex and exacerbate the problem of noncompliance.

7. Lack of Knowledge
Eriksen and Fallan (1996) highlight that tax knowledge has a relationship with tax compliance, and taxpayers' lack of knowledge is another cause of noncompliance in Bangladesh. This lack of knowledge may be caused by taxpayers' inability to understand the law (Milliron, 1986), or by the lack of tax information available from the tax department. In a survey, 23.9 per cent of the taxpayers stated that lack of knowledge is a cause of tax evasion in Bangladesh.

Part III: Consequences of Tax Evasion
Tax evasion enlarges the gyre of poverty and erodes the economy of developing countries (Oxfam, 2013). According to Global Financial Integrity, developing countries an estimated $100 billion to $160 billion annually to corporate tax dodging alone. It is revealed that developing countries lose three times as much to tax evasion as they receive in foreign aid. According to Tax Justice Network, data on tax evasion is really illusive but the actual amount of tax lost because of evasive activities is thought to be much higher than is published. Obtaining the amount of tax lost due to tax evasion is a difficult task (Herculaas). However, the consequences of tax evasion are briefly summarised below:

a. The Informal Economy
In developing countries, tax evasion and avoidance cause a loss of revenue of approximately $385 billion a year (Cobham, 2006). Kim finds that, when tax evasion increases, the size of the informal economy also increases, while Hug and Spörri (2011) observe that tax evasion seriously diminishes the state's capacity to provide basic public goods. In Bangladesh, tax evasion erodes a huge amount of government revenue every year. It is estimated by the NBR that approximately Tk 40,000 crore is lost each year because of tax evasion and avoidance (Karim, 2011).
b. Distortion of the Tax Law
Tax evasion causes the tax law to become distorted. It is activity undertaken by wealthy individuals and large corporations that frustrates the tax law by engineering new avenues to evade tax. Ingenious tax advisers develop products to evade and avoid tax. To counter the efforts, tax authorities amend tax laws. The tax law is compared with a ship to which wholes are made constantly by the taxpayers and tax advisers and the tax authorities constantly repair the ship resulting in numerous patches that has the effect of distorting the tax law (Braithwaite and Braithwaite, 2002). The same process applies in case of developing countries like Bangladesh. Tanzi and Shome (1993) comment that tax evasions are numerous and that taxpayers continuously engineer new ways to reduce their tax burden. This is an accurate representation of the situation in Bangladesh.

c. Erosion of the Tax Base
It is well recognized that illegal tax evasion erodes the tax base in developing countries. As a result of such erosion, revenue is reduced, administrative costs increase, tax policy goals are not achieved and social equity is affected (Alm et al., 1991). In Bangladesh, widespread tax evasion is gradually eroding the tax base. For example, in terms of revenue loss due to transfer mispricing from 1990 to 2008, Bangladesh lost $34.08 billion, placing Bangladesh at the top of the list (OECD, 2013).

d. Credibility of the Tax Administration
As a result of tax evasion, the burden of taxes falls disproportionately on low-income earners. This makes people dubious about the efficiency and fairness of the tax administration. The reduction of state capacity due to tax evasion also affects the tax morale of the populace (Hug and Spörri, 2011). The tax administration loses credibility if it is not fair and, if there is tax evasion, the tax administration is perceived to be unfair (Devos, 2012).

Part IV: Remedial Measures to Curb Tax Evasion
Bangladesh must urgently address the tax evasion problem by taking appropriate measures. During a taxpayer’s survey conducted by the Reforms in Revenue Administration (RIRA) in 2003, taxpayers were asked about measures to curb tax evasion. According to 88.5 per cent of the respondents, publicity, media reporting and better coverage of tax evasion cases would have a positive effect on preventing tax evasion. Eighty-nine per cent of the respondents said that the NBR needs to improve the quantity of publicity, publicize how to file a tax return properly and make tax payments, and adequately describe the penalties involved in evasion. Eighty per cent of the respondents stated that awareness about the responsibilities of paying tax must be improved through publicity, public seminars, and school and university participation in awareness campaigns. Around 40 per cent of the taxpayers said that the existing penal provisions in the tax statute regarding tax evasion are insufficient, and that stricter penalties and punishment provisions should be incorporated in the tax law. However, the NBR has undertaken some commendable measures, some of which are discussed below.

1. Tax Amnesty Scheme
Tax amnesty is a type of temporary incentive provided to taxpayers to let them pay tax at a reduced rate, so they can be within the tax net. This is known as a ‘black money whitening’ scheme and is highly controversial (Gani, 2006). During the past 40 years, such tax amnesties have been allowed on many occasions; however, the NBR has failed to access the underground economy (Mala, 2012). Rather, this scheme has encouraged honest taxpayers to pay tax incorrectly, or resort to evading practices (Gani, 2006).

2. Reward Incentives for Income Tax Officials
The income tax department of Bangladesh has provisions to reward income tax officers who unearth income tax evasion—Section 184B of the Income Tax Ordinance 1984 deals with this. This reward is aimed at encouraging tax officials to more seriously seek to detect tax evasion. The reward system in the civil servant is part of the New Public Management theories which is in fact not widely used in Bangladeshi (Gani, 2006). The NBR has only recently begun using this tool to curb tax evasion. In addition, the extent to which this tool will prove effective has not yet been studied empirically.

3. Income Tax Fair
To encourage taxpayers’ voluntary compliance, from 2010, the ITDB has held an annual income tax fair. At this fair, taxpayers can submit their return and pay their tax easily and without harassment. The income tax fair is considered successful to improve compliance (Mustafa, 2013), and taxpayers’ reactions have been very positive.
4. Central Intelligence Cell in the NBR
In 2004, a Central Intelligence Cell (CIC) was established in the NBR as a part of the NBR modernization project (Karim and Alauddin, 2012). According to the IMF, the establishment of the CIC was a bold step to improve the weaknesses of the tax administration in Bangladesh (Almekinders et al, 2009). The CIC is an integrated unit comprising officials from both the direct and indirect tax wings of the NBR. The CIC performs a tax intelligence function and investigates tax evasion and fraud cases in the areas of income tax, customs and value-added tax. The CIC, headed by a director general, is working hard to improve taxpayer compliance, for both direct and indirect taxes. Information and data are held confidentially by the CIC and are not readily accessible; however, the CIC works under strong monitoring from the NBR to negotiate with potential tax evaders to pay the correct amount of tax. Thus far, the CIC has been able to create a positive effect on taxpayer compliance (Karim and Alauddin, 2012). Since its establishment, the CIC has undertaken 1,750 investigations related to tax evasion for income tax, value-added tax and customs. Substantial tax evasion cases have been detected, and, in the majority of cases, the evaders paid their taxes (Karim, 2013).

5. Creating a Robust Tax Culture
Tax culture is essential to ensure the sustainable development of a country (UNDP, 2008). It plays a vital role in tax administrations (Chuenjit, 2014). Tax culture reflects the tax compliance mentality of a region’s taxpayers in general terms. It is understood in terms of taxpayers’ consciousness regarding payment of tax—that is, taxpayers pay tax because of the tax culture (Nerré, 2001). However, tax culture encompasses more than the tax mentality, and varies from country to country. As Nerré (2001) states:

‘A country-specific tax culture is the entirety of all relevant formal and informal institutions connected with the national tax system and its practical execution, which are historically embedded within the country’s culture, including the dependencies and ties caused by their ongoing interaction.’

Poor tax compliance reflects a poor tax culture. It is observed that developing countries like Bangladesh face a formidable challenge to improve revenue collection in an efficient, fair and consensual way. One of the factors of such challenge is poor tax culture. Thus, Bangladesh’s poor income tax compliance indicates the country’s insufficient tax culture. It is urgent that this culture be improved to combat the evils of tax evasion in Bangladesh.

Part V: Conclusion
Tax and tax evasion go hand in hand. Where there is tax there is evasion. As is observed tax evasion seriously affects the economy of developing countries like Bangladesh. Tax evasions distort the economy, creates sub-soil economy and breeds corruption in the tax administration. The paper is a modest attempt to discuss some of the issues relating to tax evasion in Bangladesh. It is observed that there are multifaceted causes of tax evasion. The problem is acute in Bangladesh. Despite the fact that of late National Board of Revenue took some effective measures to combat the problem of tax evasion in the country, more remains to be done if the country is to be free from the reign of tax evasion. A very strong tax culture boosted by strong political will be conducive to tackle the problem of tax evasion in Bangladesh.

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Tax Exemption on Worker Profit Participation Fund (WPPF) should be reinstalled

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Industrialization is the only way to utilize our human resources (unemployed HR count is about 4.75 crore) and other National opportunities. Our Governments, entrepreneurs, academics, NGOs and households are working to strengthen the industrialization process in the country. Industry is contributing around 32.48% of GDP in Fiscal Year 2016-17. It was about 12.3% in 1970s and 17.7% in 1980s.

Sharing of the bottom line (net profit from operations) among the employees is considered a strong management tools for healthy development of every sector (industry, trade, commerce or agriculture). It has been in practice in Bangladesh (East Pakistan) since 1968 through a provision of “The Companies Profits (worker participation) Act 1968 (Act No Xii of 1968). This act is repealed by Chapter 15, Section 232-252 of The Bangladesh Labour Act 2006 (Act No. XLII of 2006) (here in after shall be said “The Parent Law of the Funds”).

Any income of the funds and any income of the worker from the funds is tax exempted according to U/S 245 (Exemption of income of the Funds from income tax) and U/S 246 (Exemption of income of the workers from income tax) of The Bangladesh Labour Act 2006 (Act No. XLII of 2006) respectively. It is also aligned with para 4(2) of 6th schedule part-A, ITO 1984. But It has been revoked by U/S 52DD, ITO 1984 (The section is inserted by the finance Act 2016). It is just opposite position of the two key business laws. For well understanding on this issue (tax on WPPF) let we go through the provisions of;

3. Paripatra-1 (Income Tax)/2016-17 issued by Income Tax Policy Wings, NBR.
4. The Minimum Wages schedule for different Sector.

Provisions of Tax exemption in The Bangladesh Labour Act 2006:

Under Section 242 (1) The Bangladesh Labour Act 2006 (Act No. XLII of 2006) Utilization of Participation Fund reads “Two-thirds of the total amount deposited in the Participation Fund in every year shall be distributed in equal proportion to all beneficiaries in cash, and the remaining one-third shall be invested in accordance with the provisions of section 240 (11), whose profit shall also be distributed in equal proportion to all beneficiaries.”

Under Section 243 The Bangladesh Labour Act 2006 (Act No. XLII of 2006) Utilization of Welfare Fund reads “Subject to the compliance of the provisions of this Chapter, the amount deposited in the Welfare Fund may be utilized for such purposes and in such manner as the Board of
Trustee may decide, and the Board shall inform the Government relating thereto.”

**Under Section 244 The Bangladesh Labour Act 2006 (Act No. XLII of 2006)** Fiscal concessions to the companies “In the cases of all companies to which this Chapter applies any sum allotted to the said Funds by such companies shall not be counted in calculating their taxable income.”

**Under Section 245 The Bangladesh Labour Act 2006 (Act No. XLII of 2006)** Exemption of income of the Funds from income tax “The income of the Funds including their capital gains shall be exempted from income tax.”

**Under Section 246 The Bangladesh Labour Act 2006 (Act No. XLII of 2006)** Exemption of income of the worker from income tax “The sums paid out of the Funds to the workers shall be exempted from income tax.”

Minimum wages circulations by the wages board for different sectors: Some of the Minimum wages of difference sector are given below for ready reference;

<table>
<thead>
<tr>
<th>Name of the industries</th>
<th>Declaration years of Minimum Wage</th>
<th>Unskilled workers last minimum wage (Taka)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and wood</td>
<td>2012</td>
<td>9,882 /Month</td>
</tr>
<tr>
<td>Oil mills and vegetable products</td>
<td>2010</td>
<td>7,420/Month</td>
</tr>
<tr>
<td>Road &amp; transport</td>
<td>2010</td>
<td>6,300/Month</td>
</tr>
<tr>
<td>Rabar Industries</td>
<td>1983</td>
<td>521/Week</td>
</tr>
<tr>
<td>Garments Industries</td>
<td>2013</td>
<td>5,300/Month</td>
</tr>
<tr>
<td>Tea garden</td>
<td>1987</td>
<td>402/Week</td>
</tr>
<tr>
<td>Waste processing sector</td>
<td>2012</td>
<td>5,850/Month</td>
</tr>
</tbody>
</table>

**52DD. Deduction at source from payment to a beneficiary of workers’ participation fund.**-

Notwithstanding anything contained in any other provision of this Ordinance or any other law being in force in respect of exemption from tax on payments from workers’ participation fund, any person responsible for making any payment from such fund to a beneficiary shall, at the time of such payment, deduct income tax at the rate of five percent (5%) on such payment.”

In explanation of these sections of Finance Act 2016 following details quoted from Paritara -1 (income Tax)/2016-17 issued by Income Tax Policy wings, National Board of Revenue.

<table>
<thead>
<tr>
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<tr>
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<td>2012</td>
<td>5,850/Month</td>
</tr>
</tbody>
</table>

Provided that no tax shall be deducted under this section where the cumulative investment at the end of the income year in the pensioners’ savings certificate does not exceed five lakh taka:

Provided further that no tax shall be deducted from interest or profit arising from Wage earners development bond, US dollar premium bond, US dollar investment bond, Euro premium bond, Euro investment bond, Pound sterling investment bond or Pound sterling premium bond.

**Provisions of Tax U/S 52D and 52DD, ITO 1984 (These sections are inserted by the Finance Act 2016):**

“52D. Deduction at source from interest on saving instruments.-”

Notwithstanding anything contained in any other provision of this Ordinance or any other law being in force in respect of exemption from tax on interest of savings instrument purchased by an approved superannuation fund or provident fund or gratuity fund or recognized provident fund or workers’ participation fund or a person responsible for making any payment by way of interest on any savings instrument shall, at the time of such payment, deduct income tax at the rate of five percent (5%) on such interest:
If we go into detailed analysis of the above sections of the Income Tax Ordinance, Paritara-1 (income Tax)/2016-17 and the Bangladesh Labour Act, 2006, we may find the following questions regarding taxes on Worker profit participation fund:

1. Clear opposite direction of key business laws between The Bangladesh Labour Act, 2006 and the Income Tax Ordinance, 1984 on tax exemption of WWPF. According to section 242(1), 245, 246 of the Bangladesh Labour Act 2006 (Amended up to date 2015) the profit participation is tax exempted at investment interest income and at the beneficiary stage. But Section 52D, 52DD of ITO 1984 revoked and put forth tax at 5%.

2. Tax exemption benefits of WPPF of last 48 years are revoked without any tax benefits to the workers who are receiving below taxable income level. It is just opposite of the spirits of ITO, 1984. There is no question of taxable income limit of beneficiary of workers participation fund. It is Flat rate @ 5% upfront at the time of disbursement to the beneficiary.

3. Assessee status of worker profit participation fund; given that the worker profit participation fund is formed and tax exempted by the labour law (u/S 232-252) of the Bangladesh Labour Act 2006. It needs no recognition from NBR under ITO 1984. So the fund is not assessee as per definition of ITO 1984. But after introduction of section 52D, 52DD of ITO 1984 the worker profit participation fund has become an assessee. This is because it is paying tax (Advance Tax u/s 52D, ITO 1984) and Collecting Tax (in form of Advance Tax from beneficiary u/s 52DD, ITO 1984).

4. 5% TDS from interest of investment in saving instrument of WPPF, Provident Fund, Pension Fund; In modern days Private sector is considered as economic growth engine but we've no pension fund or Provident Fund, or superannuation fund scheme sponsored by the Government. But it did not put any restriction to form it in private sector initiatives. It can be formed and managed by the Law of The Bangladesh Labour Act 2006 and The Income Tax Ordinance 1984. These funds are mostly invested in saving instruments and subject to tax u/S 52D, ITO 1984. But Government Pension fund and Provident funds are not subject to tax according to Government PF Act 1925. It creates difference between Private sector employee and Government employee having the same citizenship status.

5. The private sector funds’ interest income from the said saving instrument is very much money market driven but the interest income of the Government Pension fund and Provident funds are fixed by the Finance Ministry, which is substantially higher than the rate of interest of money market.

6. There is no exemption limit for beneficiary of workers’ profit participation fund. Most of the recipients are worker and receiving minimum wages and well below the zero tax slab.

So considering the legal provisions of the Bangladesh Labour Act 2006 and The Income Tax Ordinance 1984 and further discussion on it, we (private sector employees, civil society, academia, NGO, business forums and other stakeholders) may approach to the regulator (The National Board of Revenue, The Ministry of Finance, The Ministry of Labour, The Ministry of Social Welfare, The Ministry of Industry, The Ministry of Commerce) to implement the exemption of taxes on the income from all worker and employee related fund formed according to provision of The Bangladesh Labour Act 2006.

Disclaimer: The paper is the personal opinion of the writer. It is not the view of his office or the institute.
“The journal is running a series of updates on IFRS, IAS, IFRIC and SIC. The updates mostly collected from different sources of IASB publication, seminars, workshop & IFRS website. This issue is based on IFRS 5 which has been collected, collated & summarized by Mr. Md. Mahabubul Alam FCMA. He has been working as First Assistant Vice President for Al Arafah Islami Bank Limited. He is a fellow member of the Institute of Cost & Management Accountants of Bangladesh.”

IFRS-5: Non-current Assets Held for Sale and Discontinued Operations

International Financial Reporting Standard 5 (IFRS 5) Non-current Assets Held for Sale and Discontinued Operations deals with the measurement and presentation in the statement of financial position of non-current assets (and disposal groups) held for sale. In particular, the IFRS requires assets that meet the criteria to be classified as held for sale to be:

a) Measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets to cease; and

b) Presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of comprehensive income.

When a company (or another entity) plans to sell an asset and / or stop some part of its business, then it might affect its future cash flows, profitability and overall financial situation. Therefore, the users of financial statements, mainly investors, should be informed about these events. There are two distinct parts to this IFRS. Both are related and can occur together, but each can also occur independently of the other. “Non-current assets held for sale” deals with the situation where an entity decides that a non-current asset (which by definition is held for continuing use in the business) is no longer to be held for continuing use. Rather it is to be sold. As this is an intention rather than an observable fact, strict controls are laid down by IFRS 5 to regulate when an asset is considered to be “held for sale” and also its accounting treatment. “Discontinued operations” arise when an entity decides to discontinue a part of its business. This part of IFRS 5 is concerned with separate disclosure of the results of operations deemed to be discontinued. It is possible to have a discontinued operation which has no assets held for sale. Similarly it is possible to have assets held for sale without discontinuing an operation. They can also occur together.

In this article, we only highlight “Non-current assets held for sale” section of IFRS-5.

Classification and Presentation Requirements

The classification and presentation requirements of IFRS 5 apply to all recognized non-current assets and disposal groups of an entity, but certain assets are not subject to its measurement requirements and instead continue to be measured in accordance with other Standards.

Non-current assets are assets that do not meet the definition of a current asset. A current asset is an asset that satisfies any of the following criteria:

a) It is expected to be realized in, or is intended for sale or consumption in, the entity’s normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is expected to be realized within twelve months after the reporting period; or

d) It is cash or a cash equivalent asset, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A disposal group is a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction and liabilities directly associated with those assets that will be transferred in the
A disposal group may be a group of cash-generating units, a single cash-generating unit, or part of a cash-generating unit. If the group includes a cash-generating unit to which goodwill has been allocated under IAS 36 Impairment of Assets, or includes an operation within such a cash-generating unit, the associated goodwill is included within the disposal group.

**Measurement Requirements**

‘Scoped-out’ non-current assets: The measurement requirements of IFRS 5 do not apply to the following assets:

a) Deferred tax assets (IAS 12 Income Taxes);

b) Assets arising from employee benefits (IAS 19 Employee Benefits);

c) Financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement;

d) Non-current assets that are accounted for in accordance with the fair value model in IAS 40 Investment Property;

e) Non-current assets that are measured at fair value less estimated point-of-sale costs in accordance with IAS 41 Agriculture; and

f) Contractual rights under insurance contracts as defined in IFRS 4 Insurance Contracts.

Current assets can be caught by the requirements of IFRS 5, but only when they are part of a disposal group. Thus, in particular:

a. where a current asset is part of a disposal group that also contains scoped-in non-current assets, the disposal group as a whole will be subject both to the measurement and to the classification and presentation requirements of IFRS 5;

b. where a current asset is part of a disposal group that does not contain any scoped-in noncurrent assets, the disposal group as a whole will be subject to the classification and presentation requirements of IFRS 5, but not to the Standard’s measurement requirements; and

c. a current asset being sold as an individual asset (i.e. not as part of a disposal group) will never be classified as held for sale under IFRS 5.

**Classification of non-current assets (or disposal groups) as held for sale**

The overall principle of IFRS 5 is that a non-current asset (or disposal group) should be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The Standard specifies certain requirements and conditions that must be met for this to be the case. The two general requirements for a non-current asset (or disposal group) to be classified as held for sale are that:

1. The asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups); and

2. Its sale must be highly probable.

**Available for immediate sale:** IFRS 5 requires that ‘the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups)’.

**Example 1:** An entity is committed to a plan to sell a manufacturing facility and has initiated actions to locate a buyer. At the plan commitment date, there is a backlog of uncompleted customer orders.

- The entity intends to sell the manufacturing facility with its operations. Any uncompleted customer orders at the sale date will be transferred to the buyer. The transfer of uncompleted customer orders at the sale date will not affect the timing of the transfer of the facility. The criterion in IFRS 5 would be met at the plan commitment date.

- The entity intends to sell the manufacturing facility, but without its operations. The entity does not intend to transfer the facility to a buyer until after it ceases all operations of the facility and eliminates the backlog of uncompleted customer orders. The delay in the timing of the transfer of the facility imposed by the entity (seller) demonstrates that the facility is not available for immediate sale. The criterion in IFRS 5 would not be met until the operations of the facility cease, even if a firm purchase commitment for the future transfer of the facility were obtained earlier.

**Highly probable:** specific conditions: The Standard defines ‘highly probable’ as meaning ‘significantly more likely than probable’, where ‘probable’ means ‘more likely than not’. A number of specific conditions must be satisfied for the sale of a non-current asset (or disposal group) to qualify as highly probable:

- The appropriate level of management must be committed to a plan to sell the asset (or disposal group);

- An active program to locate a buyer and complete the plan must have been initiated;

- The asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and
• The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Example 2: At the year end, an entity’s board of directors has approved a plan to sell a non-current asset. The eventual disposal requires approval from a majority of the entity’s shareholders through a formal vote which will take place after the year end. At the year end, a majority of the entity’s shareholders have provided the entity with signed irrevocable agreements stating that they will vote their shares in favor of the disposal.

The criterion that an ‘appropriate level of management’ be committed to the plan is met because the shareholders have irrevocably committed to approve the transaction and, therefore, the formal vote by the shareholders is merely a formality.

Impairment reviews for assets not qualifying as held for sale: When an entity has indicated an intent to sell an asset with a carrying amount that may exceed its fair value less costs to sell, but the asset does not qualify as held for sale, the entity should consider this to be an impairment indicator under IAS 36 Impairment of Assets, which would require the entity to perform an impairment loss review. The holding period used in estimating the future cash flows for the purpose of determining the asset’s value in use should reflect the entity’s intent to sell the asset. IAS 36 notes that the fair value less costs to sell of an asset to be disposed of will often approximate its value in use, as the value in use calculation will consist mainly of the net disposal proceeds. This is because the future cash flows from continuing use of the asset until its disposal are likely to be negligible.

Extension of the period required to complete a sale: IFRS 5 notes that, on occasion, events or circumstances may extend the period to complete the sale beyond one year. Provided that the delay is caused by events or circumstances beyond the entity’s control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group), such an extension does not preclude an asset (or disposal group) from being classified as held for sale. IFRS 5 specifies that held-for-sale classification will continue to be available in the following situations:

a) At the date an entity commits itself to a plan to sell a non-current asset (or disposal group) it reasonably expects that others (not a buyer) will impose conditions on the transfer of the asset (or disposal group) that will extend the period required to complete the sale, and:

• actions necessary to respond to those conditions cannot be initiated until after a firm purchase commitment is obtained; and

• a firm purchase commitment is highly probable within one year.

b) An entity obtains a firm purchase commitment and, as a result, a buyer or others unexpectedly impose conditions on the transfer of a non-current asset (or disposal group) previously classified as held for sale that will extend the period required to complete the sale; and:

• timely actions necessary to respond to the conditions have been taken, and

• a favorable resolution of the delaying factors is expected.

c) During the initial one-year period, circumstances arise that were previously considered unlikely and, as a result, a non-current asset (or disposal group) previously classified as held for sale is not sold by the end of that period, and:

• during the initial one-year period the entity took action necessary to respond to the change in circumstances,

• the non-current asset (or disposal group) is being actively marketed at a price that is reasonable, given the change in circumstances.

Example 3: An entity is committed to a plan to sell a manufacturing facility in its present condition and classifies the facility as held for sale at that date. After a firm purchase commitment is obtained, the buyer’s inspection of the property identifies environmental damage not previously known to exist. The entity is required by the buyer to make good the damage, which will extend the period required to complete the sale beyond one year. However, the entity has initiated actions to make good the damage, and satisfactory rectification of the damage is highly probable.

Assets that are to be abandoned: Assets held for sale are those whose carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Where assets or disposal groups are to be abandoned, rather than sold, there will be no sale transaction, so their carrying amounts can only be recovered through continuing use. Accordingly, assets to be abandoned will not qualify as held for sale and should not be classified as such in the statement of financial position.

For non-current assets retired from active use, the Board decided that where such assets do not meet
the criteria for classification as held for sale, they should not be presented separately in the statement of financial position because their carrying amounts may not be recovered principally through sale.

**Assets that are to be exchanged:** It is not necessary that the intended sale of a non-current asset should be in exchange for cash. It is, however, necessary that the expected exchange would qualify for recognition as a completed sale. Thus, if an entity intends to exchange a non-current asset for another non-current asset, the IFRS 5 conditions for classification as held for sale cannot be met unless the exchange will have commercial substance in accordance with IAS 16 Property, Plant and Equipment.

IAS 16 states that an entity should determine whether an exchange transaction has commercial substance by considering the extent to which its future cash flows are expected to change as a result of the transaction. An exchange transaction has commercial substance if:

- Either:
  - the configuration (risk, timing and amount) of the cash flows of the asset received differs from the configuration of the cash flows of the asset transferred; or
  - the entity-specific value of the portion of the entity’s operations affected by the transaction changes as a result of the exchange; and
- The difference arising in either of the two circumstances outlined above is significant relative to the fair value of the assets exchanged.

**Assets ceasing to qualify as held for sale:** Where an asset (or disposal group) has been classified as held for sale, but the requirements and conditions discussed in this section are no longer met, the asset (or disposal group) should be removed from the held-for-sale category.

**Measuring assets (and disposal groups) held for sale**

Where non-current assets and disposal groups are classified as held for sale, they are required to be measured at the lower of their carrying amount and fair value less costs to sell.

**Individual assets held for sale:** Certain assets are outside the scope of IFRS 5’s measurement requirements. When classified as held for sale, those scooped-out non-current assets will continue to be measured in accordance with the Standards that applied before they were classified as held for sale, although the presentation and disclosure requirements of IFRS 5 apply.

All other individual non-current assets held for sale (i.e. ‘scoped-in non-current assets’) are measured at the lower of their carrying amount and fair value less costs to sell. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

If assets are carried at fair value prior to initial classification, the requirement to deduct costs to sell from fair value will result in an immediate charge to profit or loss. The detailed requirements are as follows:

- The carrying amount of the non-current asset is measured in accordance with applicable IFRSs immediately before initial classification as held for sale.
- If the carrying amount determined in accordance with IFRS 5 exceeds the asset’s fair value less costs to sell, an impairment loss is recognized to reduce the carrying amount to fair value less costs to sell.
- Once classified as held for sale, a non-current asset is no longer depreciated or amortized.
- A gain should be recognized for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss recognized in accordance with IFRS 5 or previously in accordance with IAS 36.

**Example 4:** Measuring non-current assets held for sale: A freehold property was originally acquired for CU400,000. Some years later, after cumulative depreciation of CU110,000 has been recognized, the property is classified as held for sale. At the time of classification as held for sale:

- carrying amount is CU290,000; and
- fair value less costs to sell is assessed at CU300,000.

Accordingly, there is no write-down on classification as held for sale and the property is carried at CU290,000. At the next reporting date, the property market has declined and fair value less costs to sell is reassessed at CU285,000. Accordingly, a loss of CU5,000 is recognized in profit or loss and the property is carried at CU285,000. Subsequently, the property is sold for CU288,000, at which point a gain of CU3,000 is recognized.

**Disposal groups:** The measurement requirements for disposal groups are for the most part similar to those relating to individual non-current assets. The general principle is that a disposal group held for sale is measured at the lower of its carrying amount and fair value less costs to sell. The detailed requirements on initial classification are as follows.
• Immediately before initial classification as held for sale, the carrying amounts of all the individual assets and liabilities in the disposal group are measured in accordance with applicable IFRSs.

• If fair value less costs to sell for the disposal group is below the aggregate carrying amount of all of the assets and liabilities included in the disposal group, the disposal group is written down. The impairment loss is recognized in profit or loss for the period.

On subsequent re-measurement of a disposal group, the detailed requirements are as follows:

• Assets and liabilities that are not within the scope of the measurement requirements of IFRS 5 – namely the scoped-out non-current assets, current assets and all liabilities – are first re-measured in accordance with applicable IFRSs, and the carrying amount of the disposal group is adjusted to reflect these re-measurements.

• Interest and other expenses attributable to liabilities within the disposal group continue to be recognized.

• Other non-current assets (i.e. those within the scope of IFRS 5’s measurement requirements – the scoped-in non-current assets) are no longer depreciated or amortized.

• The fair value less costs to sell of the disposal group is calculated.

• If the updated carrying amount of the disposal group exceeds its fair value less costs to sell, the excess is written off as a further impairment loss.

• A gain is recognized for any subsequent increase in fair value less costs to sell of a disposal group:
  o to the extent that it has not been recognized in the re-measurement of scoped-out noncurrent assets, current assets and liabilities; but
  o not in excess of the cumulative impairment loss recognized, either in accordance with IFRS 5 or previously in accordance with IAS 36, on the scoped-in non-current assets (note that the requirements of IFRS 5).

Where an impairment loss is recognized (or reversed) for a disposal group, it is allocated between the scoped-in non-current assets using the order of allocation set out in IAS 36. The order of allocation of impairment losses under IFRS 5 is therefore:

• first, to reduce the carrying amount of any goodwill allocated to the disposal group;

• then, to the other scoped-in non-current assets of the disposal group, pro-rata on the basis of the carrying amount of each of those assets.

Example 5: Initial and subsequent measurement of a disposal group: A disposal group includes an investment property (previously accounted for under the fair value model in IAS 40) and other assets. None of the assets has been previously impaired and they are all within the scope of IFRS 5’s measurement requirements. Immediately prior to classification as held for sale, the investment property is re-measured under IAS 40 to fair value of CU300,000. The aggregate carrying amount of the other assets under applicable IFRSs is CU250,000, giving a total of CU550,000.

The fair value less costs to sell of the disposal group as a whole is initially estimated at CU560,000. Accordingly, there is no initial write-down on classification as held for sale, and the disposal group is carried at CU550,000.

At the next reporting date, the fair value of the investment property has fallen to CU280,000, and the fair value less costs to sell of the disposal group as a whole is reassessed at CU515,000. Accordingly:

• the loss of CU20,000 on the investment property is recognized under IAS 40;

• this brings the carrying amount of the disposal group down to CU530,000, but the fair value less costs to sell of the disposal group is only CU515,000; and

• accordingly, a further loss of CU15,000 is recognized, bringing the carrying amount of the disposal group down to CU515,000.

In accordance with IFRS 5, this further impairment loss is allocated first to reduce any goodwill in the disposal group, and then pro-rata between the other scoped-in non-current assets (i.e. without allocation to the investment property).

Measuring costs to sell

Costs to sell are the incremental costs directly attributable to the disposal of an asset (or disposal group), excluding finance costs and income tax expense.

Facility-holding costs (e.g. insurance, security services, utility expenses etc.) to be incurred between the date of classifying the asset as held for sale and the date of ultimate disposal should not be recognized as costs to sell. Such costs are not incremental costs directly attributable to the disposal of an asset (or disposal group) because they would be incurred whether or not the facility was being sold.

If the sale of an asset (or disposal group) is expected to occur beyond one year, costs to sell are measured
at their present value, i.e. discounted for the time value of money. The subsequent unwinding of the discount is presented in profit or loss as a financing cost.

**Gains and losses on disposal**

To the extent that gains or losses arising on the sale of a non-current asset (or disposal group) have not previously been recognized through re-measurement, they are recognized when the asset or disposal group is derecognized. IFRS 5 notes that requirements relating to de-recognition are set out in:

- IAS 16 for property, plant and equipment; and
- IAS 38 for intangible assets.

**Additional evidence obtained subsequent to the end of the reporting period**

When additional evidence is obtained subsequent to the end of the reporting period relating to a non-current asset (or disposal group) classified as held for sale, the accounting is determined in accordance with IAS 10 Events after the Reporting Period. Therefore:

- if the evidence relates to conditions that existed at the end of the reporting period, then it is accounted for as an adjusting event (i.e. the entity adjusts the amounts recognized in its financial statements); and
- if the evidence relates to conditions that arose after the reporting period, then it is a non-adjusting event (i.e. the entity does not adjust the amounts recognized in its financial statements. However, additional disclosure will be required if the impact is material.)

**Changes to a plan of sale**

Where an asset or disposal group has been classified as held for sale, but the held-for-sale criteria are no longer met, the asset/disposal group should be removed from the held for sale category.

**Re-measuring a non-current asset that is no longer held for sale**

When a non-current asset ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale), it is measured at the lower of:

- its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization or revaluations that would have been recognized had the asset (or disposal group) not been classified as held for sale; and
- its recoverable amount at the date of the subsequent decision not to sell.

Recoverable amount is the higher of fair value less costs to sell and value in use, where value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If a non-current asset is part of a cash-generating unit, its recoverable amount is the carrying amount that would have been recognized after the allocation of any impairment loss arising on that cash-generating unit in accordance with IAS 36.

Where the above requirement triggers an adjustment to the asset’s carrying amount, the adjustment is included in profit or loss from continuing operations in the period in which the held-for-sale criteria are no longer met. The adjustment should be included in the same caption in the statement of comprehensive income used to present other gains or losses on held-for-sale items not meeting the definition of discontinued operations. If the asset is property, plant and equipment or an intangible asset that had been revalued in accordance with IAS 16 or IAS 38 before classification as held for sale, the adjustment is treated as a revaluation increase or decrease.

Removing an asset or liability from a disposal group: If an individual asset or liability is removed from a disposal group classified as held for sale, the remaining assets and liabilities of the disposal group will continue to be measured as a group only if the group continues to meet the held-for-sale criteria.

**Assets acquired exclusively with a view to subsequent disposal**

An entity may acquire a non-current asset (or disposal group) exclusively with a view to its subsequent disposal, for example as part of a business combination. In such circumstances, the non-current asset (or disposal group) is classified as held for sale at the acquisition date only if:

- the requirement that a sale is expected within one year is met; and
- it is highly probable (i.e. significantly more likely than probable) that any of the other general requirements and specific conditions that are not met at that date will be met within a short period following the acquisition (usually within three months).

If a newly-acquired asset (or disposal group) meets the criteria to be classified as held for sale, it will be measured on initial recognition at the lower of its carrying amount had it not been so classified (for example, cost) and fair value less costs to sell. Accordingly, if the asset (or disposal group) is acquired as part of a business combination, it will be measured at fair value less costs to sell.

[Source: IFRS website & IFRS provided free unaccompanied pdf version of the IFRS 5]
UPDATE ON Dhaka Stock Market

The Journal is running a series of updates on Dhaka Stock Market. In this issue of THE COST & MANAGEMENT, A.K.M. Shahidul Kirmany CMA (CIMA, UK), FCMA has given a reflection of relevant changes and updates on the Dhaka Stock Market. The analysis of the Dhaka Stock Market has been done considering the period from March 1, 2018 to April 30, 2018. Mr. Kirmany is presently working with the VIPB Asset Management Company Limited as Chief Operating Officer.

Macro-economy Update

• As per the provisional estimate of Bangladesh Bureau of Statistics (BBS) the country is expected to see an increase in its ratio of the imports of goods and services to the Gross Domestic Product (GDP) in current fiscal year 2018. The ratio may stand at 22.34 per cent as against 20.27 per cent in the past fiscal year 2017.

• Revenue collection slowed in the first nine months of 2017-18, making it harder for the National Board of Revenue to hit its full fiscal year's goal. Taxmen logged in 14 percent year-on-year revenue growth to Tk 144,311 crore in the July-March period. The growth was 20 percent in the same nine-month period in 2016-17.

• Bangladesh has sent 2,49,528 workers overseas and received $4,530.46 million as remittance till April 13 this year.

• The demand for Bangladesh Taka (BDT) in the money market fell drastically mainly due to the recent slash of the cash reserve requirement (CRR) by 1.0 percentage by the central bank. Both the weighted average inter-bank call money rate and weighted average yield on Bangladesh Bank (BB) Bills dropped significantly in the recent days in lockstep with the revised CRR.

• Bangladesh Bank has asked all the banks and non-bank financial institutions to maintain secrecy of correspondences with the central bank's Bangladesh Financial Intelligence Unit.

• The National Board of Revenue has set tariff value for liquefied petroleum gas for imposing value-added tax on the product at the trading stage. The VAT wing of the revenue board on April 9 set the tariff value at Tk 3 per kilogram of LP gas reducing the VAT incidence to 0.45 per cent from current 4 per cent advance trade VAT. The tariff value will be applicable only on bulk LP gas above 45kg which is mainly used for industrial purposes.

• The telecom regulator has directed mobile operator Robi Axiata to deposit Tk 18.93 crore as value-added tax on 4G licence fee within April 25. The country's second-largest carrier paid Tk 378.62 crore as 4G licence and spectrum fee and the National Board of Revenue has claimed the VAT against the sum.

• The Bangladesh Economic Zones Authority will sign a deal with a Chinese company in a month enabling it to invest $5 billion in the country.

• The amount of default loans of state-owned banks has reached Tk 55,095 crore as of January 2018.

• Bangladesh Bank has instructed all the banks to comply with a finance ministry notification on pulling deposit from government, semi-government and autonomous entities' by the private banks and non-bank financial institutions.
• Fund transfer to any Bangladeshi bank account through online banking will become possible from June, in a development that promises to be a great timesaver for bank customers.

• A total of 142 directors including sponsor directors of 40 listed insurance companies do not hold a minimum 2% share in their own companies. Any individual holding 5% or more shares will be entitled to be a director in their place.

• Finance Minister AMA Muhith tonight said that state owned banks and Investment Corporation of Bangladesh (ICB) will buy 60 percent shares of trouble-hit The Farmers Bank Limited.

Stock Market Updates
March 1, 2018 to April 30, 2018

• The benchmark index of Dhaka Stock Exchange (DSE) was down by 2.24% during the period. The daily turnover was highest on April 10, 2018.

Changes in Indices (from March 1, 2018 to April 30, 2018)

<table>
<thead>
<tr>
<th>Index</th>
<th>Open</th>
<th>Close</th>
<th>Point Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSEX</td>
<td>5,870.83</td>
<td>5,739.23</td>
<td>(131.60)</td>
<td>-2.24%</td>
</tr>
<tr>
<td>DSES</td>
<td>1,372.45</td>
<td>1,324.95</td>
<td>(47.49)</td>
<td>-3.46%</td>
</tr>
<tr>
<td>DS30</td>
<td>2,168.97</td>
<td>2,143.55</td>
<td>(25.42)</td>
<td>-1.17%</td>
</tr>
</tbody>
</table>

DSE Performance (from March 1, 2018 to April 30, 2018)

• Telecommunication, Banks, Pharmaceuticals & Chemicals, Fuel & Power holds 18.98%, 18.11%, 15.93%, 10.28% of the market capitalization respectively.

Sectoral Market Capitalization and turnover (March 29, 2018)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Market Capitalisation in mn</th>
<th>% of total Market Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
<td>609,539.09</td>
<td>18.11%</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>200,354.65</td>
<td>5.95%</td>
</tr>
<tr>
<td>Insurance</td>
<td>89,327.40</td>
<td>2.65%</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>41,810.18</td>
<td>1.24%</td>
</tr>
</tbody>
</table>

• In March, 2018 the total turnover in the public market of DSE was Tk. 67.15 billion.

Sectoral Turnover (March, 2018)
Top 10 Companies by Market Cap – March 28, 2018

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Grameenphone Ltd.</td>
<td>623,838.61</td>
<td>18.53</td>
</tr>
<tr>
<td>2</td>
<td>Square Pharmaceuticals Ltd.</td>
<td>228,591.24</td>
<td>6.79</td>
</tr>
<tr>
<td>3</td>
<td>British American Tobacco Bangladesh</td>
<td>206,112.00</td>
<td>6.12</td>
</tr>
<tr>
<td>4</td>
<td>Renata Ltd.</td>
<td>86,411.28</td>
<td>2.57</td>
</tr>
<tr>
<td>5</td>
<td>BRAC Bank Ltd.</td>
<td>83,397.62</td>
<td>2.48</td>
</tr>
<tr>
<td>6</td>
<td>Investment Corporation Of Bangladesh</td>
<td>81,993.52</td>
<td>2.44</td>
</tr>
<tr>
<td>7</td>
<td>Lafarge Surma Cement Ltd</td>
<td>66,082.15</td>
<td>1.96</td>
</tr>
<tr>
<td>8</td>
<td>United Power Generation</td>
<td>61,921.99</td>
<td>1.84</td>
</tr>
<tr>
<td>9</td>
<td>Olympic Industries Ltd.</td>
<td>54,983.19</td>
<td>1.63</td>
</tr>
<tr>
<td>10</td>
<td>Berger Paints Bangladesh Ltd.</td>
<td>48,870.69</td>
<td>1.45</td>
</tr>
</tbody>
</table>

Top ten gainers and losers in terms of market price (from February 28, 2018 to April 30, 2018)

<table>
<thead>
<tr>
<th>Ticker</th>
<th>Gain (%)</th>
<th>Ticker</th>
<th>Loss (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MONNSTAF</td>
<td>88.01%</td>
<td>LAFSURCEML</td>
<td>-50.75%</td>
</tr>
<tr>
<td>LANKABAFIN</td>
<td>70.77%</td>
<td>ZAHEENSFIN</td>
<td>-30.11%</td>
</tr>
<tr>
<td>STYLECRAFT</td>
<td>38.01%</td>
<td>FIRSTFIN</td>
<td>-29.57%</td>
</tr>
<tr>
<td>SONALIANSH</td>
<td>30.49%</td>
<td>SHYAMPSUG</td>
<td>-25.22%</td>
</tr>
<tr>
<td>RUPALIFIL</td>
<td>28.69%</td>
<td>TALLUSPIN</td>
<td>-22.22%</td>
</tr>
<tr>
<td>UPGDCL</td>
<td>28.39%</td>
<td>ARAMITCEM</td>
<td>-21.40%</td>
</tr>
<tr>
<td>BEXIMCO</td>
<td>25.90%</td>
<td>SINOBANGLA</td>
<td>-21.34%</td>
</tr>
<tr>
<td>EASTNLUB</td>
<td>25.82%</td>
<td>SONARGAON</td>
<td>-21.31%</td>
</tr>
<tr>
<td>APEXFOODS</td>
<td>23.73%</td>
<td>FAREASTFIN</td>
<td>-21.21%</td>
</tr>
<tr>
<td>NAVANACNG</td>
<td>21.34%</td>
<td>DXSYNTH</td>
<td>-21.21%</td>
</tr>
</tbody>
</table>

- The number of beneficiary owners’ accounts increased by 52,700 in last three and a half months this year. As on April 15, 2018, the number of BO accounts stood at 27,80,161, which was 27,27,400 as on December 31, 2017.
- The closed-end mutual fund units saw their turnover double last month upon expectation of better dividends for the year ending on June. In March, closed-end mutual funds’ turnover stood at Tk 164.25 crore in contrast to Tk 74.84 crore a month earlier, according to data from the Dhaka Stock Exchange. However, total turnover in the DSE declined 10.73 percent during the period.
- The government has extended the contract tenure of Bangladesh Securities and Exchange Commission chairman M Khairul Hossain by two more years.
- National Bank Limited has requested Bangladesh Bank to exempt it from keeping Tk 1,150 crore provision in its financial statement for 2017 against Tk 3,416 crore classified loans to show hefty profits for the year.
- Beximco Pharmaceuticals has started the export of its third item Methocarbamol (500mg and 700mg) to the United States. Following the successful marketing of Carvedilol and Sotalol in August 2016 and November 2017, respectively in the world’s largest pharmaceuticals market, the first consignment of its third item was delivered on this April 21.
- bKash Limited, the largest mobile financial service provider in the country recently signed an agreement with Marico Bangladesh Limited to provide disbursement solutions to the leading consumer goods manufacturer in the country.
- Mobile phone operator Grameenphone, which holds the exclusive rights to use 1,600 kilometres of fibre optic cable of Bangladesh Railway under a lease deal, would get 63 per cent of the proceeds if unused portion of the cable network is leased to any third party.
- Full-fledged stock brokers and merchant banks will have to maintain a minimum capital of Tk 15 crore and Tk 35 crore respectively if the new rules set by the stockmarket regulator are put in place. At present, merchant bankers have to maintain Tk 25 crore as minimum capital while there is not limit for the stock brokers.

Disclaimer:
Investing involves risk. The value of an investment and the income from it will fluctuate and investors may not get back the principal invested.
Past performance is not indicative of future performance. It is for informational purposes only. This document does not constitute investment advice or a recommendation to buy, sell or hold any security and shall not be deemed an offer to sell or a solicitation of an offer to buy any security.
Certain data used are derived from various sources believed to be reliable, but the accuracy or completeness of the data is not guaranteed and no liability is assumed for any direct or consequential losses arising from their use. This material has not been reviewed by any regulatory authorities.
Why do you pursue CMA education of ICMAB?
From the childhood I cherish a dream of being competent market leader. My dream was connected with my real thoughts. I used to search a way to materialize my aspiration. Fortunately, I got admitted in the department of accounting and information systems of Rajshahi University. During my graduation period I came to know that professional accountancy like CMA can be a good choice to fulfill my dream. This degree is also relevant to my academic background. Just after completing my graduation, I got admitted in ICAMAB under Rajshahi Branch following Ralph Marston’s great speech “What you do today can improve all your tomorrows”.

How do you make a comparison between CMA education and other academic qualifications?
Where academic study ends professional education starts. CMA provides a global access and creates an opportunities to act as a global player. Though completing CMA is very laborious but its – result is attractive. It can transform a person radically. I call CMA as costly managed achievement.

Most importantly, traditional form of education is designed on national perspectives, but CMA education is designed comparing with global pattern. It is affiliated with many national and international professional accounting bodies like IFAC, SAFA, CAPA etc.

CMA helps to acquire detailed knowledge which is not possible in traditional form of education. Its does not develop only our knowledge but also teach us to work hard, to work in group, to be supportive and communicative and to be a true market leader.

What are the main challenges you faced in studying CMA education?
John Wilmot told “Before I got married I had six theories about raising children; now, I have six children and no theories.”
Practical knowledge is converted to experience. I face this challenge when I become engaged in some official activities. While introducing myself to different persons, they used to ask me what CMA is. Absence of sufficient publicity creates hesitation among students to stick to CMA. Since I got admitted outside Dhaka Branch, education materials

Md. Rasel Uddin is a final Level Student of ICMAB. He has Completed 1800 marks. His home district is Kushtia. He Completed his BBA and MBA in Accounting and Information systems from University of Rajshahi. Currently he is working as Lecturer, Department of Accounting and Information systems, Beghum Rokeya University, Rangpur. During his education life he was involved with different extra curricular activities of ICMAB.
and resources are not available outside Dhaka. The library does not contain sufficient resources. Also the website does not contain many resources like other professional accounting bodies in the world. I face severe resource scarcity while taking preparation at outside Dhaka. Excel, ERP and case based studies and other training are not available outside Dhaka Branch.

Do you think that CMA qualification will help you to get added advantage in the job market?

I am a lecturer of department of Accounting and Information Systems, Begum Rokeya University (BRU), Rangpur. When I appeared for job interview in different organizations like BTCL, Begum Rokeya University, National Board of Revenues, and different private organizations, the interview Board members showed a positive attitude toward me. When I appeared in different job related written exam related to Finance/Revenue/Accounts, I was capable of giving logical answer due to having thorough knowledge acquired through CMA education.

What are the strategy you are following to complete the CMA education on schedule?

Truly speaking I don’t give excess time on studying CMA due to designing some innovative plan. I have two separate plan for theoretical and mathematical subject. I don’t have to sit for second time for a theoretical course. For theories I analyze previous five to seven years questions matching with Syllabus to determine which chapters are much more important than others. Then I try to locate the sources of answers. I study same answer from different sources. I try my level best to ensure writings grammatically correct and simply understandable with sweet sentences. For mathematical courses, I analyze which questions comes repeatedly, then thoroughly study that part. Before starting preparation on a mathematical chapter, I read thoroughly the theory of that chapter.

What do you expect to get from ICMAB as a student?

ICMAB deserves special thanks due to different positive initiatives in multiple spares and should continue. An ounce of practice is much worth than a bounce of theory. They should launch firm-based audit practice. Alternatively, there should be an opportunity of six months internship in each level. Students along with teachers should be sent abroad to different professional accounting bodies for supportive training purpose. Both quantity and quality of articles should be enhanced. For this purpose, expert from different backgrounds like academician, top executives of financial institutions, corporations, companies etc can be involved. ICMAB should prepare member based on National requirement because medicine should be given according to disease. Initiatives should be taken to affiliate with other global professional accounting bodies. Resources should available both physically and in web portal by enriching own study materials, E-library. Book issue facilities should be extended to other branches, beside not Dhaka. Class and training should be taken by experts in all branches. Excel, ERP and Case study based education should be launched nationwide.

There are lot of probable student of Begum Rokeya University, Carmichael College and other educational institutions in Rangpur / Bogra region, a new branch should be established in this area.

Could you remember any memorable event during your study at ICMAB?

Just one year ago when I was at my workplace, a phone call came to me, “You have been selected for Mujibur Rahman scholarship for three years from ICMAB”. A ceremony has been arranged to reward the scholarship holders. But due to delay to communicate to me, I got only three hours to go from Rangpur to Dhaka. I could not attend the ceremony. I still miss that day.

Do you think the CMA qualification will be able to fulfill your aspirations?

Though future is uncertain but anyone can - plan it through some strategicl and logical arrangements. CMA has already helped me to get three jobs at a time. To get a good job by using CMA is not my target. I take it as a pillar to reach my dream. I have made a master plan whose action have already started but will be implemented after completing CMA. I think one day CMA will take myself to that dreamt destination.

[Interviewed by Sazedul Hoq ACMA]
A delegation of ICMAB led by its President Mr. Mohammed Salim FCMA called on Engineer Mosharraf Hossain MP, Minister, Ministry of Housing and Public Works, Government of the People’s Republic of Bangladesh at his office on March 27, 2018.

The ICMAB President apprised the Minister regarding the present status and activities of the Institute including the professional educational system and its international exposure and sought all out support from the Government for its further and rapid development. The Minister highly appreciated the role of the professional accountants in the economic development of the country and assured to provide full co-operation for the development of CMA profession.

Among others, Past President Mr. M. Abul Kalam Mazumdar FCMA, Secretary Mr. Md. Abdur Rahman Khan FCMA and Executive Director of the Institute Mr. Md. Mahbub Ul Alam FCMA were present in the meeting.
Mr. Mohammed Salim FCMA, President of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) called on Mr. Zunaid Ahmed Palak MP, State Minister, Information and Communication Technology (ICT) Division, Government of the People’s Republic of Bangladesh at his office on March 21, 2018 to discuss matters relating to ICT development.

Mr. Salim apprised the State Minister about the professional expertise of the Cost and Management Accountants and their role in the industry and service sectors of the national economy. He also requested the Minister to create an opportunity where ICMAB can work with Information and Communication Technology (ICT) Division and contribute their expertise knowledge in ICT related training and developments.

The State Minister briefed about the Vision of the Present Govt. on IT Sector. He expressed his view that ICMAB can work together with Govt. to develop skilled manpower on Accounting and Finance under business process outsourcing (BPO) program where there are huge opportunities to enhance the skills of the young generations as well as earning foreign currency for the country like Sri Lanka and India. The State Minister assured the ICMAB delegation to extend necessary co-operation for the development of CMA profession.

Treasurer Prof. Dr. Swapan Kumar Bala FCMA and Executive Director of the Institute Mr. Md. Mahbub Ul Alam FCMA were present in the meeting.
A delegation of ICMAB led by its President Mr. Mohammed Salim FCMA called on Mr. Mohammad Shahidul Haque, Senior Secretary, Legislative & Parliamentary Affairs Division, Ministry of Law and Parliamentary Affairs, Government of the People’s Republic of Bangladesh at his office on March 14, 2018 to discuss national economic issues and professional matters related to ICMAB. ICMAB President thanked the Senior Secretary for his continuous support for the development of CMA profession in Bangladesh. He updated the Secretary about the general affairs of the Institute and role of CMA professionals in trade, business, industry, service sectors and also overall education and examination system of the Institute. Secretary appraised the Institute for maintaining international standards in the education system.

The Secretary advised the delegation about the Cost Accounting Standard, Cost driven based accounting, Integrated Reporting system, Performance Reporting etc. He assured full Government support to the Institute and asked the ICMAB delegation to work hard with ethics and professional integrity for the development of the country further.

Past President Mr. M. Abul Kalam Mazumdar FCMA and Executive Director of the Institute Mr. Md. Mahbub Ul Alam FCMA were present in the meeting.
ICMAB organized a seminar titled “Uplifting Employability of Business Graduates through Professional Education” on March 12, 2018 at Dhaka College premises in collaboration with the Department of Management, Department of Accounting and Department of Economics of Dhaka College.

Professor Mamtaz Uddin Ahmed FCMA, Academic Consultant Dr. Nikhil Chandra Shil FCMA and fellow member Mr. Naba Krishna Muni FCMA were present in the seminar as the Guests of Honour.

Speakers at the seminar discussed about the necessity of professional degrees in addition to academic degrees for accelerating career success. Education system of ICMAB is also briefed along with the membership profile to motivate the audiences. Bringing some successful indicators of Bangladesh which is undergoing through serious development initiatives, the speakers presented the potential of professional accountants in coming days. Around 600 students of the college attended the seminar and listened to the speakers till the end which lasts for more than three hours. Students were also engaged in an informal networking with the speakers at the end of the seminar which reflects their keenness with the professional education.
Reception to the Newly Qualified CMAs Accorded

The Council of the Institute accorded a open hall reception to the students who passed CMA final examination in December 2017. The program was held on March 08, 2018 at the ICMAB Ruhul Quddus Auditorium. 8 students who successfully qualified to achieve the prestigious CMA degree after passing all the subjects of the CMA course were warmly greeted by the Office Bearers, Councilors, Members and Students of the Institute. Newly qualified students were briefly introduced before the audience. As a mark of honor, they were given seat in the dias while Councilors including the president seated in the audience. The program started with recitation from the holy Quran and was followed by address of welcome by Chairman, Examination Committee Mr. M. Abul Kalam Mazumdar FCMA.

The newly qualified CMAs then shared their feelings of joining the CMA family and lively stories of struggle, hopes and inspirations during their arduous journey as a CMA student. They expressed firm commitment to uphold the image of the profession. President Mr. Mohammed Salim FCMA in his speech advised the newly qualified CMAs to maintain the highest standard in rendering their professional services. He also emphasized on strict compliance to the professional code of ethics and conducts that CMAs are highly regarded for. He told that as a professional they should remain committed to their responsibilities to the society. All the newly qualified CMAs put their signature with comments in the CMA graduation signature book.

Among others, Past Presidents of ICMAB Mr. Rafiq Ahmad FCMA, Mr. Arif Khan FCMA and Council Member Mr. Md. Mamunur Rashid FCMA attended the program. The program was conducted by ICMAB Secretary Mr. Md. Abdur Rahman Khan FCMA. Mr. Md. Mahbub Ul Alam FCMA, Executive Director of the Institute offered vote of thanks. A large number Fellow & Associate Members and Students of the Institute attended the Reception program.
The newly elected Office Bearers of the Institute held a meeting with all the employees of the Institute on March 18, 2018 at ICMA Bhaban, Dhaka. In his speech, Mr. Mohammed Salim FCMA pointed out that the Council will always strive for formulation of different plans and policies for the advancement of the Institute. The Institute’s employees who are to implement these plans and policies will have to equip themselves well for working with the plans. He requested the employees of the institute to work hard for implementing the programs of the present council successfully. The President instructed the office to hold such meeting quarterly.

The President made the floor open to all the employees and asked them to come up with their opinion for improvement of the Institute. Many of the employees spoke in the meeting and put valuable comments that were much appreciated by the newly elected Office Bearers.

Secretary of the Institute Mr. Mohammad Abdur Rahman Khan FCMA suggested the employees of the Institute to develop their IT skills. He emphasized on the training of the employees and instructed the office to organize or hire training as much as possible. Treasurer Prof. Dr. Swapan Kumar Bala FCMA also spoke on the occasion.

The Executive Director Mr. Md. Mahbub Ul Alam FCMA and Director Mr. Nazmus Salehin assured the Office Bearers full support for implementing the programs planned by the National.
Newly elected **DBC Councilors** met the **President**

President of the Institute Mr. Mohammed Salim FCMA joined ICMAB Annual Picnic 2017 on March 10, 2018, spent long time with the employees and exchanged views with them.

ICMAB Head Office arranged its daylong colorful Annual Picnic 2017 at Sabha Garden, Bager Bazar, Gazipur. More than 220 Dhaka-based employees and their family members participated in the picnic and spent the whole day with joy and merriment. Many events were arranged for the employees and their family members. Among them the most important one is raffle draw.

Many renowned companies of the country and the honorable members of the Institute sponsored the picnic providing different gifts items. Convener of picnic committee Mr. Md. Abdul Maleque, Deputy Director (Education) of the Institute thanked all the sponsors. Executive Director, Mr. Md. Mahabub Ul Alam FCMA thanked the President and all other members of the Picnic Committee for organizing such an excellent and stimulating program for the employees of the Institute.
President Mr. Mohammed Salim FCMA along with the newly elected Office Bearers of the Institute held a meeting with the Chairmen and Vice Chairmen of different Committees on March 27, 2018 to discuss and find out the strategies for facilitating timely achievement of the goal. President of the Institute Mr. Mohammed Salim FCMA presided over the meeting. The President drew attention to the role of the committees in achieving the targets set for the year. He shared with the members some of the targets the council wants to achieve through different committees. Detailed discussions were held on the TOR of the Committees. The Chairmen and Vice Chairmen expressed their views on different aspects of the Institute and offered valuable suggestions. They assured their full support in realizing the goals set by the Council.

President Mr. Mohammed Salim FCMA joined NTV’s live program on Market Watch where he spoke on Bangladesh Capital Market, Corporate Governance and Financial Reporting Council with Dr A.B. Mirza Azizul Hoque, Former Adviser of Care Taker Government of Bangladesh and Ex-Chairman, BSEC on March 7, 2018.
ICMAB Delegation MEETS Chairman, FRC

A delegation of ICMAB led by its President Mr. Mohammed Salim FCMA met Mr. C. Q. K. Mustaq Ahmed, Chairman, Financial Reporting Council (FRC) at his office on April 10, 2018.

ICMAB President updated the honorable Chairman about the overall affairs of the Institute and particularly about the development issues of CMA profession. He also sought help of the Chairman for further development of ICMAB and the Chairman assured to provide all out support and assistance to ICMAB. Among others Past President Mr. M. Abul Kalam Mazumdar FCMA and Executive Director Mr. Md. Mahbub Ul Alam FCMA were present in the meeting.

ICMAB DELEGATE MEETS CHAIRMAN & MANAGING DIRECTOR UTTARA GROUP OF COMPANIES

A delegation of ICMAB led by its President Mr. Mohammed Salim FCMA met Mr. Matiur Rahman, Chairman & Managing Director, Uttara Group of Companies on April 04, 2018 to exchange views, update about the profession and discuss matters of mutual interests.

ICMAB president thanked the Chairman & Managing Director for giving his valuable time and briefed him about the role of CMA professionals in trade, business, industry & service sectors.

Mr. Md. Akhtaruzzaman FCMA, Mr. Md. Mushfiqur Rahman FCMA, Mr. Mohammad Alamgir FCMA and Executive Director of the Institute Mr. Md. Mahbub Ul Alam FCMA were present in the meeting.
ICMAB Delegation MEETS Commerce Secretary

A delegation of ICMAB headed by its President Mr. Mohammed Salim FCMA called on Mr. Shubhashish Bose, Secretary, Ministry of Commerce, Government of the People’s Republic of Bangladesh at his office on April 4, 2018. ICMAB President updated the honorable Secretary about the overall affairs of the Institute and particularly about the development issues of CMA profession. He also sought help of the Secretary for further development of ICMAB and the Secretary assured him to provide all out support and assistance to ICMAB.

ICMAB DELEGATES CALLED ON CHAIRMAN, BSEC

A delegation of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) headed by its President Mr. Mohammed Salim FCMA called on Mr. M. Khairul Hossain, Chairman, Bangladesh Securities and Exchange Commission (BSEC) at his office on April 09, 2018.

The ICMAB president has expressed heartfelt thanks to the Chairman, BSEC and the whole team for the modernization and successful operation of capital market in recent days. The president also highlights the upgradation of Bangladesh Securities and Exchange Commission (BSEC) to A-category from B-category by the International Organization of Securities Commissions (IOSCO) which reflects the untiring effort of the Chairman to ensure a more disciplined market and help attract more foreign investments.

The President also highlights the demutualization scheme which successfully brought corporate culture in stock market. Profit orientation target gives a new challenge before the stock exchanges which is the demand of the time and Bangladesh capital market can successfully do that only due to the uncompromising leadership of the Chairman. At the same time the President brings the corporate governance issues as observed in different corporates in Bangladesh. BSEC has played a significant role in this regard through the new Code of Corporate Governance which brings transparency and accountability in this sector. The BSEC Chairman appreciated the increased contribution of Cost and Management Accountants and their relentless effort in the business and industrial sectors in the country. He also assured all possible help and assistance for the development and enhancement of professional bondage between ICMAB and BSEC.

Mr. Zunaid Ahmed Palak MP, Honorable State Minister, Information and Communication Technology (ICT) Division, Government of the People’s Republic of Bangladesh attended the program as Chief Guest while Mr. Mahtab Uddin Ahmed FCMA, Managing Director & CEO, Robi Axiata Ltd. attended the program as Guest of Honour.

The Honorable State Minister gave a presentation on the latest development of digitalization process of the country. He also inaugurated the Virtual E-learning system of the Institute.

Mr. Md. Abdul Hakim Bhuiyan FCMA, Chairman & Managing Director, Kichai IT Services Ltd. United Kingdom presented paper on “Accounting Business Process Outsourcing (BPO)” and Syed Asif Aziz CPA, CGA, ACCA, Managing Partner, A&M Partners (Finance Accounting Outsourcing) presented paper on “Finance Accounting Outsourcing” in the Seminar.

Mr. Mohammed Salim FCMA, President ICMAB presided over the Seminar. Mr. Md. Abdur Rahman Khan FCMA, Secretary ICMAB and Mr. Md. Kausar Alam FCMA, Vice-Chairman, Seminar & Conference Committee also attended the program.

A good number of professional CMAs took part in the question & answer Session which made the program so lively.

President attends a CIMA Meeting in Dhaka

ICMAB President Mr. Mohammed Salim FCMA attends a meeting with Mr. Bhaskar Ranjan Das, Head of Markets -South Asia, CIMA, Mr. Ajay Lalwani, Country Manager -South Asia, CIMA and Ms. Zareef Tamanna Matin, Head of Marketing, CIMA Bangladesh on April 8, 2018 in Dhaka.
ICMAB Delegation meets Industries Secretary

A delegation of the Institute headed by its President Mr. Mohammed Salim FCMA called on Mr. Muhammad Abdullah, Secretary, Ministry of Industries, Government of the People’s Republic of Bangladesh at his office on April 25, 2018. The ICMAB President apprised the Secretary about the role of Cost and Management Accountants in enterprise management, cost control, decision making and performance evaluation of business and industrial sectors. Besides the discussion on the matters of mutual professional interest, President of ICMAB also explained that Cost Audit focuses on performance evaluation and stakeholders at large. It helps to improve performance and production efficiencies by detecting deviations from standards, and reasons of visible and invisible losses, efficiencies, wastages etc., He also urged upon the need for implementing Cost Audit in different fertilizer factories, in accordance with the decision of the government published through Gazette notification. The Secretary gave the assurance of implementing the decision of the government with regards to Cost Audit. He also sought support of ICMAB to make its sick industries profitable. Among others Past President Mr. M. Abul Kalam Mazumdar FCMA and Executive Director Mr. Md. Mahbub Ul Alam FCMA were present in the meeting.

ICMAB Delegation meets Senior Secretary Financial Institutions Division

A delegation of ICMAB headed by its President Mr. Mohammed Salim FCMA called on Mr. Md. Eunusur Rahman, Senior Secretary, Financial Institutions Division, Ministry of Finance, Government of the People’s Republic of Bangladesh at his office on April 26, 2018.

ICMAB President updated the honorable Senior Secretary about the overall affairs of the Institute and particularly the development issues of CMA profession. He also sought help of the Secretary for further development of ICMAB and the Secretary assured him to provide all out support and assistance to ICMAB. Among others Fellow Member Mr. Mohammad Monowar Hossain FCMA and Executive Director Mr. Md. Mahbub Ul Alam FCMA were present in the meeting.
DBC Office Bearers for the year 2018

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<tr>
<th>Sl. No.</th>
<th>Name of the Members</th>
<th>Mem. No.</th>
<th>Position</th>
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<tr>
<td>01.</td>
<td>Mr. A.K.M. Kamruzzaman FCMA</td>
<td>F-0497</td>
<td>Chairman</td>
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<tr>
<td>02.</td>
<td>Mr. Md. Abdus Satter Sarkar FCA, FCMA</td>
<td>F-0457</td>
<td>Vice-Chairman</td>
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<tr>
<td>03.</td>
<td>Mr. Md. Bakhtir Alam FCMA</td>
<td>F-0723</td>
<td>Secretary</td>
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<tr>
<td>04.</td>
<td>Mr. Safiul Azam FCMA</td>
<td>F-0924</td>
<td>Treasurer</td>
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DBC Celebrate Independence & National Day

The Dhaka Branch Council (DBC) of the Institute has celebrated 48th Independence & National Day through Discussions, Cultural Program, Kids’ Art Competition on Monday, 26 March 2018 at ICMAB Ruhul Quddus Auditorium, Dhaka. The Program was presided over by DBC Chairman Mr. A.K.M. Kamruzzaman FCMA. Mr. H. N. Ashequ Rahman MP, Honorable Chairman of the Parliamentary Standing Committee on Ministry of Administration was present in the program as the Chief Guest. Mr. A.K.M. Delwer Hussain FCMA, Chairman of the Sugar & Food Industries Corporation & Mr. M. Abul Kalam Mazumdar FCMA, Vice President of the Institute were present as the Special Guests. Among others Institute’s Past President Mr. Rafiq Ahmad FCMA, current office bearers and councilors of ICMAB & DBC and a large number of fellow and associate members of ICMAB and their families were also present and enjoyed the program. The function included Prize Distribution and Cultural program on liberation war followed by dinner.
DBC of ICMAB organized a “Career Counselling & Orientation Program and Distribution of Scholarship” program for the newly admitted students at the ICMAB Ruhul Quddus Auditorium, Nilkhet, Dhaka on April 10, 2018.

Mr. Mamun Rashid, the Managing Partner, PricewaterhouseCoopers Bangladesh Private Limited, Ex-Managing Director & CEO, Citi N.A., Eminent Economist of the Country was present as the Chief Guest. Mr. Mohammed Salim FCMA, Hon'ble President of the Institute was present as the Guest of Honor. Mr. A.K.M. Kamruzzaman FCMA, Chairman of Dhaka Branch Council presided over the program.

The Chief Guest in his speech appreciated the role of Cost and Management Accountants for the economic development of the country. He advised the students to pursue the CMA education with dedication and sincerity. Mr. A.K.M. Kamruzzaman FCMA in his speech emphasized the role of CMA in the context of present and future global economy and competitive business environment. The Guest of Honor Mr. Mohammed Salim FCMA also spoke about CMA profession.

Mr. Md. Bakhtiar Alam FCMA, Secretary of DBC welcomed the guest and Mr. Md. Abdus Satter Sarkar ACA, FCMA, Vice Chairman offered the vote of thanks. Dr. Syed Abdulla Al Mamun FCMA, DBC Member & resource person presented a paper on CMA education and profession. A fully paid 4 days’ study tour package has been awarded to the best presenter among new students sponsored by Lanka Bangla Finance Limited, a leading financial institution of the country.

Among others Mr. Abul Kalam Mazumdar FCMA, Vice President & Chairman, Examination committee, Mr. Arif Khan FCMA, Vice President & Chairman, Education Committee, Mr. Md. Mahbub Ul Alam FCMA, Executive Director were present and spoke in the program. A large number of newly admitted students and members of the Institute were also present in the program.
3-Day Exclusive Professional Development Workshop on “Advanced use of Excel to Dashboard Reporting”

3-Day Exclusive Professional Development Workshop on “Advanced use of Excel to Dashboard Reporting” were organized by the DBC at ICMA Bhaban, Nilkhet, Dhaka. The Program was held on April 19, 20 & 21, 2018. The programs presided over by DBC Chairman Mr. A.K.M. Kamruzzaman FCMA. Resource persons of the program were Mr. Saiful Islam FCMA, Chief Financial Officer, Envoy Textiles Limited & Mr. Ataur Rahman ACMA, Head of International Audit, Envoy Textiles Limited.

Large number corporate executives including ICMAB members attended the training program.

Seminar on “Stress Management and Prevention of Heart Diseases, Stroke and Diabetes”

The Dhaka Branch Council (DBC) of ICMAB organized a Seminar on “Stress Management and Prevention of Heart Diseases, Stroke and Diabetes” on April 24, 2018 at ICMAB Ruhul Quddus Auditorium, Nilkhet, Dhaka. The Program was presided over by DBC Chairman Mr. A.K.M. Kamruzzaman FCMA. Mr. M. Maksud Hossain, B.Pharm. & M. Pharm. University of Dhaka was present as the resource person. Mr. Ruhul Ameen FCMA, Managing Director, Bangladesh Thai Aluminum Ltd. was present as the Chief Guest. Mr. Mohammed Salim FCMA, Honorable President, ICMAB was present as the Guest of honor. Mr. Md. Bakhtiar Alam FCMA, Secretary of Dhaka Branch Council gave the welcome address and introduced the Resource person. A large member of fellow & associate members and Students of ICMAB were present and actively participated in the program. Mr. Shohag Al Mamun ACMA (A-1361) nicely conducted the program.
DBC organized “CMA Members Family Day, Art, I.Q. Test, Recitation and Essay writing competition 2018” at DBC floor on April 27, 2018. More than hundred children of Dhaka-based members participated in the competition. Mr. Mohammed Salim FCMA, President of the Institute was present as the Guest of honor. A good number of members along with their spouses and children attended the programs joyfully.

We Mourn

Md. Abdul Based Mondal FCMA (F-0450) passed away due to heart failure on March 9, 2018 at 3:00 a.m. at his residence, Mirpur Dhaka. He was 69.

Md. Noor Islam ACMA (A-0507) passed away due to heart failure on March 19, 2018 at 8:00 a.m. at National Heart Foundation, Mirpur, Dhaka. He was 61.

On behalf of the Institute we express condolence to their bereaved family and pray to the Almighty for the salvation of their departed soul.
A Joint Meeting of CBC of ICMAB was held on 9th March, 2018 at CMA Bhaban, Agrabad, Chittagong. In this meeting CBC members unanimously elected Qazi Meraz Uddin Arif FCMA as Chairman and Mr. Mohammad Saiful Islam FCMA as Secretary for the year 2018. Beside this, Mr. Md. Moazzam Haider FCMA and Mr. Kanchan Chandra Shom FCMA were elected as Vice-Chairman & Treasurer of CBC respectively for the same tenure.
CBC ANNUAL PICNIC 2017

The Chittagong Branch Council of ICMAB organized two days annual picnic for its members, their spouse and children at Cox Today, Cox’s Bazar on March 02 & 03 2018. Mr. Mohammed Salim FCMA, President, ICMAB participated in the Picnic. More than 30 CMA family of Chittagong based members and Chairman & Treasurer; Dhaka Branch Council participated in the Picnic and spent two days with joy and happiness. The President congratulates CBC for holding such an august gathering with a view to promoting fraternal relationship and fellow feeling among the members.

CLASS ORIENTATION OF JANUARY-JUNE 2018 SESSION OF ICMAB CHITTAGONG BRANCH

Class Orientation of January-June 2018 session of ICMAB Chittagong Branch was held on March 24, 2018 at CMA Bhaban, Agrabad, Chittagong. Qazi Meraz Uddin Arif FCMA, Chairman, Chittagong Branch Council presided over the Program while Mr. Mohammed Salim FCMA, President, ICMAB was present on the occasion as Chief Guest. Mr. Mashfiq Ahmed Rushad, President, Junior Chamber International, Chittagong, Prof. Dr. Swapan Kumar Bala FCMA, Treasurer & Mr. Md. Mahbub UI Alam FCMA, Executive Director, ICMAB were present in the program as guest of honor, special guest & guest respectively.

The Chief Guest motivated the newly admitted students for their success in passing CMA for a global career & bright future. Mr. Mashfiq Ahmed Rushad states that the demand for professional accountants is huge in home and abroad. He welcomed and congratulated the newly admitted students on behalf of Junior Chamber International, Chittagong and advised the students to reach the goal with the proper study and thanked CBC for arranging such kind of program to motivate newly admitted students.
MEET THE PRESIDENT OF ICMAB

Meet the President & professional discussion was held on March 24, 2018 at CMA Bhaban, Agrabad, Chittagong. They discussed about CMA Profession and its upcoming challenges. Mr. Mohammed Salim FCMA, Prof. Dr. Swapan Kumar Bala FCMA, Executive Director of ICMAB and a large number of Fellow & Associate members attended the program.

INAUGURATION OF AUDITORIUM OF ICMAB CHITTAGONG BRANCH

The President of ICMAB Mr. Mohammed Salim FCMA inaugurated the newly constructed Auditorium of ICMAB Chittagong Branch on March 24, 2018 at CMA Bhaban, Agrabad, Chittagong. A large number of Fellow & Associate members of ICMAB & students of Chittagong Branch attended the inaugural program.
BARSHA BARAN -1425 AND CMA FAMILY NIGHT CELEBRATED

CBC has celebrated Bangla Nobo Barsha -1425 and CMA Family Night on April 20, 2018 at Saint Martin Hotel, Agrabad, Chittagong.

Qazi Meraz Uddin Arif FCMA, Chairman, Chittagong Branch Council welcomed all in the program. Mr. Mohammed Nurul Huda Siddiquee FCMA, Chairman, Cultural Events & Fellowship Night Committee of Chittagong Branch Council introduced the performers to the audience and conducted the program nicely. The Barsha Baran program includes Art Competition, Memory Test for the kids & games for members and their spouses. At the end of the program prizes were distributed among the winner of different events.

A good number of Fellow & Associate members of Chittagong region of the Institute along with their family members enjoyed the program. The program was concluded with Traditional Baishaki dinner.

CPD ON “MANAGEMENT ACCOUNTING TOOLS FOR ORGANIZATIONAL SUSTAINABILITY”

Chittagong Branch Council of ICMAB organized a CPD Program on “Management Accounting Tools for Organizational Sustainability” held on April 13, 2018 at CMA Bhaban, Agrabad, Chittagong.

Qazi Meraz Uddin Arif FCMA, Chairman, Chittagong Branch Council of ICMAB presided over the Program while Mr. Mohammed Mohiuddin FCMA, Past President, ICMAB was present as session chairman. The paper on the topic was presented by Professor Dr. Md. Salim Uddin FCA, FCMA, Chairman, Bangladesh House Building Finance Corporation (BHBFC).

The paper presenter describes the use of different strategic models & Management Accounting tools for sustainability of the Business in the rapidly changing world and also mentioned about how professional Cost and Management Accountants can play vital role in this regard.

The session Chairman thanked CBC for organizing such a timely suited program and also expressed that this Institute will arrange such program to update its members with the contemporary changes in the world of trade & commerce. A large number of Fellow & Associate members of ICMAB & students of Chittagong Branch participated in the program.
KHULNA BRANCH COUNCIL (KBC) OFFICE BEARER FOR THE YEAR 2018

CHAIRMAN
Mr. Abdul Motaleb FCMA

VICE-CHAIRMAN
Prof. Sheikh Ziaul Islam FCMA

SECRETARY
Mr. K. M. Neamul Hoque ACMA

TREASURER
Mr. Azizur Rahman ACMA

WORKSHOP ON “PRESENTATION SKILL”

KBC of ICMAB organized a Workshop on “Presentation Skill; the change maker of Career path” on Saturday, 10 March 2018 at 06:30 pm at ICMAB Khulna Branch, Khulna. Mr. Md. Shozibul Islam, CEO & IELTS Trainer, LEXICON was present in the program as keynote speaker. The program was presided over by the honorable Chairman of KBC Mr. Abdul Motaleb FCMA. Prof. Sheikh Ziaul Islam FCMA, Secretary, Mr. K. M. Neamul Hoque ACMA, Treasurer, a good number of fellow and associate members and students of Khulna Branch were present in the workshop.
KBC of ICMAB organized an “Orientation Program” for newly admitted students of January-June 2018 session and a seminar on “GOAL setting for the next generation CMA leaders” on 06 April 2018 at CMA Bhaban, Sonadanga, Khulna. The program was presided over by Mr. Abdul Motaleb FCMA, Chairman, KBC. Honorable President of ICMAB Mr. Mohammed Selim FCMA was present in the program as Chief Guest. Mr. M. Abul Kalam Mazumdar FCMA, Vice President, ICMAB, Engr. Md. Shafique Uddin, Managing Director, West Zone Power Distribution Company Limited, Prof. Kalipada Majumder, Principal, Azam Khan Govt. Commerce College and Mr. Naba Krishna Muni FCMA, Director, Organizational Capacity Building, USAID’s ACME Activity in Bangladesh were present in the program as Special Guest while Mr. Moinuddin Chowdhury (Moin), Certified Learning and Development Professional (AHLC), PPA Practitioner-Thomas International Lead Visionary and Chief Executive Officer, Motivational Speaker and Author Society for Leadership Skills Development was present as resource person. A good number of members as well as newly admitted and senior students attended the program.
KBC FELLOWSHIP NIGHT-2018

The Khulna Branch Council (KBC) of ICMAB organized its “Fellowship Night-2018” at Mridha Complex, Sachibunia Moar, Khulna on 06 April 2018. Honorable President of ICMAB Mr. Mohammed Selim FCMA was present in the program as Chief Guest. Mr. Abdul Motaleb FCMA, honorable Chairman, KBC of ICMAB and Company Secretary of West Zone Power Distribution Co. Ltd. presided over the program. Mr. M. Abul Kalam Mazumdar FCMA, Vice President, ICMAB, Engr. Md. Shafique Uddin, Managing Director, West Zone Power Distribution Company Limited, Prof. Kalipada Majumder, Principal, Azam Khan Govt. Commerce College, Mr. Naba Krishna Muni FCMA, honorable fellow and associate members, Teachers and their family members were present in the program. Mr. K. M. Neamul Hoque ACMA, Secretary of KBC gave the welcome address. Vote of thanks was offered by Mr. Azizur Rahman ACMA, Treasure of Khulna Branch Council.

TRAINING ON LEADERSHIP—“THE VIP MODEL FOR MODERN LEADERS”

KBC of ICMAB arranged a day long Training on LEADERSHIP—“The VIP Model for Modern Leaders” on 07 April 2018 at CMA Bhaban, Sonadanga Khulna. The program was presided over by Mr. Abdul Motaleb FCMA, Chairman, KBC. The objective of the program was to increase the brand image and identity of CMA profession in the corporate sectors of Khulna region. Honorable President of ICMAB Mr. Mohammed Selim FCMA was present in the program as Chief Guest. Mr. Naba Krishna Muni FCMA, Director, Organizational Capacity Building USAID’s ACME Activity in Bangladesh were present in the program as special guest while Mr. Moinuddin Chowdhury (MOIN), Certified Learning and Development Professional (AHLC), PPA Practitioner-Thomas International Lead Visionary and Chief Executive Officer, Motivational Speaker and Author Society for Leadership Skills Development was present as resource person. A good number of participants from different organizations of Khulna zone were present in the program. After completion the program honorable president of ICMAB and honorable Chairman of KBC distribute training certificate to the participants. The participants gave thanks to the authority of KBC for arranging such type of program.
KBC of ICMAB arranged a motivational program on “Together Towards Tomorrow” on 27 April 2018 at ICMAB Khulna Branch, Khulna followed by a colorful cultural program and a delicious dinner. Channel i khude gaanraj 2013 champion Maliha performed in the cultural function as main singer. The program was presided over by Mr. Abdul Motaleb FCMA, Chairman, KBC. The objective of the program is to increase the relationship and commitment among the members and the students of the institute regarding our vision, mission and objectives. Honorable Chairman of KBC gave a motivational speech to encourage the students to be more attentive at their CMA study. He also told the students about the need, value and demand of CMA profession in home and abroad. A good number of members, teachers and students of the Branch attended and enjoyed the program.
Dr. Md. Salim Uddin FCA, FCMA is a Fellow member of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) and The Institute of Chartered Accountants of Bangladesh (ICAB). He is also a Fellow member of The Chartered Institute of Public Finance & Accountancy (CIPFA), UK. He obtained his MBA degree with the grade of distinction from the University of Brussels, Belgium. He did his PhD on “Application of International Financial Reporting Standards-IFRS in Bangladesh”.

Before joining the University of Chittagong, he joined the Government College for a very short time after qualifying Bangladesh Civil Service-BCS Examination in 1993. Now he is a faculty member, Professor in the Department of Accounting, University of Chittagong, Chittagong, Bangladesh. He was an Independent Director of The Chittagong Stock Exchange-CSE appointed by the Government. He was also an Independent Director of Premier Bank Ltd and Director of Rupali Investment Ltd. Lastly, he was a Director of Rupali Bank Ltd- a nationalized commercial bank appointed by the Government.

He has more than sixty research publications at home and abroad in various fields of Accounting and Finance. He also actively participated and presented valuable papers in many national and international seminars, training programs and workshops. He attended an extensive training program on IFRS and ISA during July-August, 2008 in the UK funded by World Bank jointly organized by Ministry of Commerce, Bangladesh and ICAEW, UK.

He has widely travelled in USA, UK, Japan, France, Germany, Belgium, Netherlands, Luxembourg, Turkey, Saudi Arabia, UAE, Singapore, Hong Kong, China, Malaysia, Thailand, India, Nepal.
Insightful banker and a dynamic leader, M. Reazul Karim, carries with him a deep financial services knowledge including Corporate Sector, Governance as well as regulatory and public policy experience gained from senior positions in a wide range of financial fronts. His extensive knowledge of financial markets, treasury, risk management and his qualification as FCMA took him at the pinnacle of career achievement as he took the helm of The Premier Bank Limited on 23rd April 2018 as the Managing Director & CEO. With over 35 years of experience in the realm of Banking Industry and related sectors, he is well placed to carry out his role as the right leader for the Bank. M. Reazul Karim’s drive, enthusiasm and commitment to customers, along with his proven ability to build and lead a strong management teams, brings significant value to all stakeholders of the bank. All through his life, he enriched his career with a good number of prestigious positions in the industry. His long career path is studded with branch management, corporate banking, credit risk review, structured finance, strategic planning, business development along with team building and leadership. Mr. Karim started his career as a Management Trainee with National Bank in 1984. The following years saw the continuous rise of his banking genius. During vast versatile banking career, he has disseminated his banking excellence in National Bank Limited (1984-1995), Prime Bank Limited (1995-2012). He joined The Premier Bank Limited as the Additional Managing Director in 2013, thereafter serving for five years, he has been entrusted the position of the Managing Director & CEO (In-charge) of the Bank in February 2018. Mr. Karim has obtained his Bachelor’s Degree in Commerce (Hon’s) and M.Com in Accounting from Dhaka University. He is a Professional Accountant being a Fellow member of The Institute of Cost and Management Accountants of Bangladesh. He is an avid reader and has a strong impulse to travel and explore the world. To keep him updated with the current management thoughts, he attended many high profile training courses/ seminars/ symposiums in home and abroad including UK and USA. He used to be a part time lecturer of BRAC University and other training institutes of Banks. He has participated in a round table Conference of World Bank in Washington DC, USA and presented a technical paper on de-risk and correspondence Banking in 2017. An admired personality, Mr. M Reazul Karim has achieved many a laurel for his outstanding role for banking development in the country.
The ICMAB Council 2018

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