TOP NEWS

BSEC proposes 50% IPO debt repayment cap, mandatory escrow accounts

The Bangladesh Securities and Exchange Commission (BSEC) published a draft on 18 October proposing amendments to the Public Offer of Equity Securities Rules, 2025, and has invited comments within two weeks, according to The Business Standard. The draft would raise the share of IPO or rights offer proceeds that can repay existing loans from 30% to 50%, limited to loans that financed a company project or balancing, modernisation, rehabilitation and expansion (BMRE) work as verified by an auditor, and bar repayment of defaulted or rescheduled loans. Proceeds would have to be held in a separate escrow account at a scheduled bank, with withdrawals limited to the purposes stated in the prospectus. Companies would need verification from a BSEC-listed auditor before applying, must disclose proposed share prices and reasoning, and must use at least four valuation methods, two absolute and two relative. Stock exchanges would have 20 days to review applications, including on-site inspections, and conditional eligibility exemptions would apply to regulated-sector, capital-intensive and greenfield companies. A higher cap could reduce debt costs but leave less money for new projects.

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Walton High-Tech sets unique precedent in cash dividend distribution

Walton High-Tech Industries PLC paid its approved cash dividend to investors just one day after its annual general meeting (AGM), according to a company press release reported by The Business Standard. At the 20th AGM, held digitally on 15 October, shareholders unanimously approved a 180% cash dividend and a 10% stock dividend for FY2025-26, meaning Tk18 in cash for each Tk10 share and one bonus share for every 10 held. Deputy Managing Director and Company Secretary Rafiqul Islam credited the quick payout to the company's technological excellence, operational efficiency and robust liquidity. The audited accounts show net profit of Tk1,124.57 crore, up from Tk1,036.62 crore, and earnings per share (EPS) of Tk33.75 against Tk31.11, with revalued net asset value (NAV) of nearly Tk12,704 crore, or Tk381.26 per share, and non-revalued NAV of Tk280.24 per share. The stock dividend, funded entirely from retained earnings, will support green energy capacity, uninterrupted power supply and modernising and balancing activities. Prompt payment is a positive for shareholder confidence in dividend delivery.

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Tk560cr disbursed under factory revival scheme, but BGMEA units still await funds

Bangladesh Bank's Tk20,000 crore refinancing scheme for reviving closed factories has gained momentum, with about Tk450 crore released in 18 days, according to The Business Standard. As of 1 October the central bank had received applications of only Tk800 crore and disbursed Tk110 crore to eight companies, but by 18 October applications reached Tk1,490 crore, of which Tk560 crore was disbursed and Tk929 crore was being processed. The scheme was announced in June, but commercial banks took until October to complete scrutiny, and they bear all credit risk. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has certified around 200 factories, yet Vice-President Md Shihab Uddoja Chowdhury said not a single factory has received funds, and four owners said they were still waiting. Across 15 central bank schemes, applications total Tk14,519 crore against an allocation of Tk60,000 crore, with Tk11,959 crore disbursed. The pre-shipment credit scheme exceeded its target by 38.34% with Tk6,917 crore, while the agriculture and rural food security scheme disbursed only Tk292.90 crore, or 2.93% of its Tk10,000 crore allocation, and several schemes have disbursed nothing.

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CAL Bangladesh recommends five banks with up to 81% share price upside

CAL Bangladesh has named five listed banks as top picks, projecting share price upside of 44% to 81% as banking reforms let stronger lenders expand credit, according to The Business Standard. Its report, "Banking on the Next Cycle", identifies 14 "Cycle-Ready" banks and compares target prices with 5 October closing prices, excluding dividend yields: BRAC Bank Tk117.45 against Tk65 (80.7%), City Bank Tk48.36 against Tk29.70 (62.8%), Eastern Bank Tk34.38 against Tk22.80 (50.8%), Dutch-Bangla Bank Tk67.25 against Tk45.50 (47.8%) and Pubali Bank Tk55.88 against Tk38.80 (44%). The industry's gross non-performing loan (NPL) ratio was 32.8% in June 2026 with a provision shortfall of Tk2.2 trillion, while the 14 selected banks had a median NPL ratio of 3.8% and capital adequacy of 15.79%. CAL projects private credit growth rising from 4.3% in FY26 to 12% by FY29, led by retail and SME lending. Risks include 22 of 61 banks reporting losses, 19 below the minimum capital ratio, a 4% cap on lending-deposit spreads that 55 banks exceeded as of July, and large corporate provisioning, with gains dependent on the pace of recovery.

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Iran urges US to accept proposal to reopen Strait of Hormuz

Iranian Foreign Minister Abbas Araqchi said on Sunday that Tehran's offer to reopen the Strait of Hormuz within seven days remains on the table, according to a Reuters report carried by The Business Standard. Speaking in Baghdad, he said Washington had sent comments that Iran was reviewing, and that the way to reopen the strait was obvious if the US showed honesty, which he said was lacking. Iran presented the proposal in mid-September after an interim ceasefire collapsed, but its security chief said last week that talks had stalled because Washington had not addressed all seven conditions, which include lifting the US blockade of Iranian ports and sanctions on Iranian oil exports and ending hostilities on all regional fronts. Washington insists that Iran's nuclear programme be addressed from the outset, and US Vice-President JD Vance said Iran must make a meaningful reduction in uranium enrichment capacity to end the eight-month war, while Tehran wants talks to focus first on reopening the strait. Before the war the strait carried about one-fifth of global oil and LNG trade. Continued closure keeps pressure on energy prices and on Bangladesh's import costs.

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BSEC closes proceedings against investor Zhuang Lifeng

The BSEC has disposed of enforcement proceedings against investor Zhuang Lifeng over alleged non-compliance with securities laws, according to a regulatory order reported by The Business Standard. The case began with a show-cause and hearing notice on 6 January 2026, later rescheduled to 11 March, and Zhuang, who holds a beneficiary owner (BO) account with Prime Bank Securities Limited, submitted written explanations and a supplementary response and appeared at a hearing on 20 April. After reviewing the submissions the commission closed the case, stating that the decision does not relieve the investor of any lawful obligations or liabilities to affected parties arising from default. The report does not specify the exact allegations. In a separate action on 13 October, BSEC fined merchant bank CBC Capital and Equity Management Ltd, a corporate provident fund and three individuals a combined Tk35.92 lakh for series trading and price manipulation in Taufika Foods and Lovello Ice-Cream PLC shares, where a Dhaka Stock Exchange (DSE) probe found CBC Capital ran an interconnected network of BO accounts alongside Zhuang. The report does not say Zhuang was penalised in that action.

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Why Houthi attacks are driving up costs in Bangladesh

Escalating Houthi attacks have exposed the limits of Saudi Arabia's military strength and are already raising shipping costs and energy and trade uncertainty for Bangladesh, writes Dr Nasir Uddin Ahmed in The Daily Star. Threats near the Bab el-Mandeb Strait push ships onto the longer Cape of Good Hope route, which UNCTAD says adds about 12 days to an Asia-Europe voyage, with extra fuel, insurance and freight costs. The state-owned Bangladesh Shipping Corporation's tanker MT Ninemia, carrying about 100,000 tonnes of Saudi oil, took about 50 days instead of an estimated 13-15 and incurred an additional Tk66.63 crore, and container rates to Europe have more than doubled, although many garment exporters work on free-on-board terms, so buyers may bear much of the freight increase. The author flags risks to energy import costs, inflation and the safety of Bangladeshi workers in the Middle East, and recommends diversifying crude sources where feasible, reviewing emergency stocks, preparing contingency plans and staying in close contact with shipping firms and exporters. He calls for a political settlement that protects Saudi security, respects Yemen's sovereignty and preserves freedom of navigation.

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FDI eludes Bangladesh despite generous baits

Tax incentives and other budget measures have not yet satisfied multinational companies (MNCs) in Bangladesh, with central bank data showing net foreign direct investment (FDI) inflows fell 28% year-on-year in the first half of 2026, according to The Financial Express. The Finance Act 2026 scrapped the minimum tax provision, and a four-year tax-rate roadmap was welcomed for certainty, but MNCs still cite complex compliance, inconsistent tax administration, delayed refunds and a disproportionate burden. Foreign Investors' Chamber of Commerce and Industry (FICCI) President Rupali Chowdhury said a small number of companies bear a significant share of the revenue target, that compliant firms face repeated audits and that the 1.0% turnover tax is burdensome. JETRO's Kazuiki Kataoka said predictability matters more than tax rates, Unilever Bangladesh's CFO Zinnia Tanzina Huq cited customs valuation, expense deduction limits and VAT rebate restrictions, and former AmCham president Syed Ershad Ahmed pointed to layered taxation and delayed VAT refunds. MNCs urged the government to widen the tax net, rationalise sector-specific taxes, digitise administration and keep up regular dialogue, while Invest Bangladesh said it remains engaged with foreign investors, with Nestlé's former legal director noting the NBR cannot collect from retailers directly.

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