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# NEWS LETTER

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# Padma Bridge

## – A Symbol of Pride and Resilience

The long-awaited inauguration of the Padma bridge on June 25<sup>th</sup>, was cheered at home and abroad, in a rare unifying moment for the country. It has become the focal point of Bangladesh's ability, economic prosperity, and the emotions of the Bangladeshi people. The bridge is the largest infrastructure project in the country's south-western region, contributing to the socioeconomic growth of millions of people, and is listed 122nd among the world's longest bridges, with pillars that are 3 metres in radius and piling that is 128 metres deep, making it the world's deepest piling.



The bridge's construction began in 2014, and the final span of the 6.15-kilometre-long structure was constructed in December 2021. The anticipated cost of this self-financed megaproject in Bangladesh is Tk30,193.39 crore. With the implementation of the megaproject, the GDP growth rate of the nation's south-western region is expected to improve by 2.5% percent, whereas the total GDP growth rate is expected to rise by 1.23% every year.

The bridge's development will have a significant economic effect on the country. In 2010, it was reported that the bridge's Reward Ratio (BCR) was 1.6% and the Economic Rate Of Return (ERR) was 18%. The BCR will be 2.1 and the ERR will be 22%. In simple words, the bridge's building will be financially profitable. Connectivity between Dhaka and the 21 southern districts will be cut by two to four hours. The direct connection to the capital will aid in the expansion of trade and commerce, as well as the supply of raw materials and industrialization. Agriculture will significantly improve. Farmers will benefit from higher commodities prices.

In addition to the design experts, the World Bank's independent consultants and the Bridges Team's consulting firm assessed the bridge's economic effect. The seaports of Mongla and Payra will be active. The tourism sector will thrive, and domestic and international tourists will flock to new and old tourist spots such as Kuakata beach in the southern area, the Sundarbans, Bangabandhu Mazar in Tungipara, and old and new resorts at Mawa and Jazira.

According to the Asian Development Bank (ADB), the south-west region of Bangladesh is home to 27% of the country's total land area. According to a BBC source, the old roads have been improved, and freeways on both sides of the Padma Bridge have been built at a cost of Tk11,000 crore. As a result, opening the bridge will enhance transport there several times over. According to an ADB source, the Padma Bridge would accommodate 24,000 vehicles per day in 2024, increasing to 67,000 by 2050.

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Furthermore, the Padma Bridge will significantly reduce the travel distance between Mongla Port and Dhaka. Increasing the importance of the Mongla port in the movement of commodities and improving connection between Dhaka and the south will save many working hours, accelerating the country's economic growth.

The opening of the Padma Bridge is expected to increase trade across the country. Experts predict an industrial revolution in 21 southwest districts, particularly within a year of the opening of the double-decker bridge.

After the Padma Bridge Rail Link project is done, the trip from Dhaka to Kolkata via Jessore will be cut in half, boosting the country's foreign trade. Furthermore, it will cut the cost of gasoline, power, and online services, thereby expanding the region's current trade.

The total production of the transport, trade, and local industrialization focused around the Padma Bridge, as well as GDP growth, will have an effect on the country's entire economy. A BRAC study anticipates a 5% contribution to GDP in 31 years based on the present base year.

The Padma Bridge is no longer simply a steel structure; it has become the focal point of Bangladesh's ability, economic prosperity, and the emotions of the Bangladeshi people.

## ***In Other News***

### **Bangladesh's Export Earnings Cross \$50 billion in FY22**

The country's exports crossed \$50 billion for the first time ever in the outgoing fiscal, thanks to a record year for the readymade garments sector, according to national news agency source at Export Promotion Bureau (EPB).

According to the EPB, the country earned \$47.17 billion from exporting goods and services during the July-May period of the current fiscal (2021-22).

The source at EPB confirmed that readymade garments worth around \$3.20 billion were exported in 25 days of the current month. Bangladesh meanwhile became a member of the \$50-billion export income club by exporting goods and services around \$50.37 billion. The final export earnings will be released by EPB at the beginning of next month (July).

The Government was focusing on increasing export income from the beginning of fiscal year 2021-22. The ministry of commerce, Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) have worked together to increase export volume of Bangladesh.

The Government's initiative to keep open garment industries, providing even the stimulus loans to pay the salary of workers, played an important role in getting a huge export order. After easing of Covid-19 pandemic restriction in the EU and USA, Bangladesh received huge export orders due to its ability to deliver products as per required schedule.

Bangladesh's exports had previously touched \$40 billion in the 2018-19 fiscal. It then dipped down to \$33.67 billion in 2019-20, as the coronavirus pandemic set in, before climbing back to \$38.76 billion in 2020-21.

# CASE LAW UPDATE

## Kazi Sanaul Karim alias Nadim –vs- Advocate Md. Mozammel Haque and others *Civil Revision No. 374 of 2009*

### **Facts:**

The plaintiff is the owner of the disputed premises and the defendant is a monthly tenant of the same. The defendant defaulted in paying rent and municipality taxes of the disputed premises. The disputed premises have become old and of dilapidated condition which requires immediate refurbishment. The youngest son of the plaintiff is sick and unemployed, thus the vacant possession of the disputed premises for starting a business is required. A notice was served under section 106 of the Transfer of Property Act, 1882 upon the defendant but the defendant did not handover vacant possession. Thus, the plaintiff instituted S.C.C. Suit before the Court of Senior Assistant Judge, Sadar, Mymensingh.

The defendant denied all material claims and allegations made in the plaint by filing a written statement and alleged that the plaintiff had received the rent of Kartick, 1407 B.S., but the plaintiff refused to receive rent for the month of Chaitra, 1407 B.S. The defendant sent above rent by money order on 01.05.2001 which was returned undelivered on 09.05.2001. As such, within 15 days from above date of return of money order defendant deposited the rent to the Rent Controller. However, the Trial Court on the basis of a reply of D.W.1 to an extraneous question in cross-examination which was out of pleadings, held the defendant a defaulter in paying rent and decreed the suit in favor of plaintiff.

### **Issues:**

The question before the Court was whether the Trial Court's decision on the basis of the defendant's erroneous admission in cross-examination is lawful in the eye of law?

### **Reasoning of the Court:**

An admission is important legal evidence which does not require further prove and can be used against its maker. It must have a specific claim or statement of the opposite party which can be admitted. The plaintiff did not make any specific claim against the defendant that he defaulted in paying rent; hence the erroneous admission made by the defendant cannot be relied upon.

### **Decision:**

As far as the defendant being an admitted defaulter is concerned, the plaintiff having refused to receive the rent of Choitra. He sent the amount by money order which was returned undelivered. Thereafter he has deposited the rent to the Rent Controller. The plaintiff also has failed to prove that the disputed premise is required for her own use or the defendant is a defaulter.

A single Bench of the High Court Division appreciating the evidence adduced by both parties came to the conclusion that finding of the trial court as to the admission of the defendant was erroneous and hence is of no legal effect. The Court thereon made the Rule absolute in favor of the original defendant.

# LEGISLATIVE UPDATES

## Overview of National Mental Health Policy 2022

The Ministry of Health and Family Welfare has recently published the National Mental Health Policy, Bangladesh – 2022 vide a gazette notification dated 01.06.2022 with the vision to ensure the mental health and well-being of all people. The policy aims to promote self-reliance and sustainability by increasing efficiency, productivity, accountability and ownership in mental health care interventions and service delivery.

The policy is gender-sensitive, respects the rights of the people, seeks informed consent and maintains confidentiality in relation to information sharing. The policy also aspires to improve mental health outcomes by translating policy statements into strategic framework and guidelines through collective national and international efforts

The objectives of this policy are to:

- (a) strengthen effective leadership and governance for mental health to create a mental health friendly society;
- (b) provide mental health care at all levels of the health care system (primary, secondary, tertiary) and facilitate access to and utilization of comprehensive mental health services by persons with mental health conditions, and increase access to mental health services for vulnerable groups according to universal health coverage;
- (c) promote mental health, prevent mental health conditions and enhance awareness by reducing the stigma associated with mental health conditions;
- (d) support the recovery process of people suffering from mental health conditions through rehabilitation;
- (e) provide mental health and psychosocial support to survivors of disaster, trauma and humanitarian emergencies;
- (e) provide mental health and psychosocial support to survivors of disaster, trauma and humanitarian emergencies;
- (f) give special attention to children and adolescents with mental health conditions and neurodevelopmental disabilities;
- (g) enhance availability and equitable distribution of skilled human resources for better mental health;

- (h) promote evidence generation and research;
- (i) ensure the rights and protection of persons with mental health conditions;
- (j) update the academic curriculum on mental health and substance abuse;
- (k) ensure representation from various stakeholders;
- (l) address substance abuses and addictive disorders;
- (m) reduce risk and incidence of suicide and attempted suicide;
- (n) provide support services for caregivers of persons with mental health conditions through a multi-sectoral approach; and
- (o) establish a regulatory body for mental health professionals and services.

In addition to the above objectives, the policy considers the development of several areas of actions and has been discussed in detail in the policy while emphasizing each and every area separately. It includes the following areas-

- Coordination and regulation
- Organizing of Services.
- Financing.
- Mental Health promotion, prevention, treatment, and rehabilitation for mental health conditions
- Management at all levels of the health system.
- Mental health services for at-risk and vulnerable populations.
- Registration and credentialing of mental health services, & Oversight of practitioners and ethical practices
- Researched and evidence-based guidelines and best practices.
- Mental health conditions occurring in childhood and neurodevelopment disabilities
- Substance related and other addictive disorders
- Mental Health in emergencies including disaster and crisis situations.
- Suicide risk reduction.
- E-mental health services.
- Patient and care giver's rights and access to better understanding, support for care-giving as well as mechanism for reporting when ethical violation is perceived.

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# LEGISLATIVE UPDATES

The policy further clarifies and specifies the categories of stakeholders and their respective roles in regard to the stabilization of mental health. The roles of the stakeholders are brought into light hereinafter in brief:

- Government: Ministry of Health and Family Welfare, Directorate General of Health Services and the National Institute of Mental Health and Hospital will be responsible for the development of special expertise in mental health care and the provision of training and research
- NGOs: Government affiliated and approved NGOs will be the part of mental health services according to existing rules and regulations.
- International Organizations: WHO will provide technical support in the development and implementation of mental health plan and programs. It will be the collaborative partner for the promotion of mental health and prevention of mental health conditions.
- Parents/family group: Parents and/or family members of people with mental health conditions will play a pivotal role in advocacy and promotion and will provide feedback to the service providers.
- Persons with mental health conditions: Persons who have the capacity will play a role in advocacy and promotion and provide feedback to service providers. Persons with mental health conditions or persons recovering from mental health conditions and their families and care givers are also included in this group.
- Teachers: Teachers will be involved in mental health promotion, prevention and rehabilitation activities.
- Professional groups/associations/societies: Mental health professionals, civil society organizations, non-specialist care givers, societies and associations of professionals, will be involved in the development and implementation of the mental health plan and programs.
- Religious leaders/traditional healers: Training of religious leaders and traditional healers will be included in the development and implementation of mental health activities.
- Media: Media personnel will be sensitized and trained on mental health aspects, especially stigma reduction and awareness raising. Training on the role of media personnel in responsible reporting of suicide will be provided.

# New Regulations on the Table for Start-Ups



Startup ecosystem is progressively evolving across the country. In line, Bangladesh has experienced a noteworthy transformation in the startup industry in recent years. At present, there are more than 2,500 startups in the country. Among which 1200 startups are currently active and 200 new startups are joining the industry every year. About 1.5 million people have been directly and indirectly employed in the sector.

To support and encourage this emergence of new startups and new job opportunities, the government has proposed a set of special incentives in the latest budget for Fiscal Year (FY) 2022-23. The government is going to introduce a startup sandbox providing special exemptions and benefits for companies that fall under the specified guidelines and conditions. This initiative aims to assist newer startups to thrive in the competitive e-commerce market. This will help new entrepreneurs by making their initial struggles easier.

Startups, to enjoy the benefits of a sandbox, have to be registered with the National Board of Revenue (NBR). Startups will have no reporting obligation if they provide permanent access to their system or books to the NBR, according to the Ministry of Finance officials.

For startups, it has been proposed by the Finance Minister that the government will also be withdrawing restrictions on expenditure and reducing the rate of turnover tax to 0.1% from 0.6% under the sandbox benefits in the fiscal year 2022-23. Removing the expense ceiling will help the entrepreneurs promote and market their products to customers while spending on research and development.

According to the proposed benefits, local startups will be exempted from bindings of all types of reporting except submitting income tax returns. Besides, they will also be allowed to set off and carry forward their losses up to nine successive assessment years. Currently, all companies can adjust their losses for up to six years. This opportunity will create a path for the entrepreneurs and a competitive advantage to expand their businesses in the global arena.

Some conditions have been considered under these proposed benefits. An exemption was included that startups older than 5 years will be unable to receive the benefits of the startup sandbox. Furthermore, Bangladeshi startups with 50% or more ownership under foreign investors will also be excluded from the exemption and benefits. These exemptions have created a debate among the entrepreneurs concerning the limit upon such benefits.

Companies that registered before 2017 are not eligible for these benefits, as per the proposed conditions. As a result, many older companies that made significant contributions to the rise of the startups do not fall under the growth year definition of the startup sandbox.

The limit of five years may seem too short of a timeframe for local digital startups that have been formed a long time ago. A number of prominent companies are going to be excluded that have been creating job opportunities for many people and contributing to the GDP.

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# New Regulations on the Table for Start-Ups



Not including startups with 50% or more foreign ownership stances a discouragement for foreign investment ecosystem. The conditions should be imposed in such a manner so that older and newer; both categories enjoy the benefits.

On the other hand, limiting the benefits by enforcing such conditions will be helpful to startups that are new and started business recently. Local startups will be exempted from bindings of all types of reporting except submitting income tax returns. It will be convenient for the new founders as they lack the knowledge to properly utilize tax and compliance regulations. They don't possess the resources and experience to properly tackle issues such as official reporting and filing.

This decision of the government to target the initial struggle stage of newer startups will encourage the entrepreneurs to come forward and implement their ideas. To propel this growth, the startups will also be given amnesty from penalties even if they fail to comply with tax rules, according to the sources. It was also mentioned that the government has a future plan to increase exports in the ICT sector to USD 5 billion and IT-based employment to thirty lakh by 2025. To execute this plan, an adequate budget is being allocated for this sector.

An amount of BDT 6,78,064 crore budget has been allocated for the next fiscal year in parliament, which is BDT 74,383 crore more than the last budget. This is the 51st budget of the country and the fourth budget of the third consecutive term of the government led by Prime Minister Sheikh Hasina.

Startups are currently a great source of creating jobs and opportunities particularly for the young. To support the growth of e-commerce in Bangladesh and to encourage new startups, a project titled 'My e-commerce, my own businesses' has also been taken up by the government. This project aims to harness new entrepreneurs' skills and develop small and medium enterprises in this sector in the rural areas of Bangladesh.

Overall, Bangladesh is closely moving to become a pro-startup business and regulatory mechanism. Implementation of the proposed plans and opportunities is the next big challenge in hand. If done rightly, Bangladesh will shape itself as a new Asian hub of startup businesses.





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