

## LEGAL INSIGHTS

*Front Page:*

**Bangladesh Set To Become  
\$500 Billion Economy by 2026**

*Case Law:*

**M. Asafuddowlah  
- VS. -  
Bangladesh**

*Legislative Update:*

**Summary of The Textile Industry  
(Regulations and One Stop Service  
Centre) Rules, 2021**

*In Other News:*

**World Bank Increases  
Bangladesh's GDP Growth Forecast**



**October 2021  
Edition**

## Bangladesh Set To Become \$500 Billion Economy by 2026

- Standard Chartered Bank

- High domestic consumption, export demand, robust remittance are highly contributing to Economic Recovery.
- Despite depreciation, Taka is still the “Best-Performing” Currency in Asia.
- Policy Intervention must as LDC graduation to forfeit benefits.



Bangladesh may become a US\$500 billion economy with the per-capita income rising to \$3,000 by 2025-26 fiscal year on the back of a steady growth, the Standard Chartered Bank predicts. The international bank on their latest Economic Outlook of Bangladesh, estimates a GDP growth of 7.2% in the current fiscal year (FY), driven by several macroeconomic factors.

Higher domestic consumption and global growth rebound coupled with the vaccination drive in anti-corona battle will continue to remain as key drivers, says Standard Chartered. It views that sustained GDP (gross domestic product) growth over 7.0 per cent during a five-year period starting in FY'22 will drive the size of Bangladesh's gross domestic product up to US\$500 billion and per-capita income to \$3,000 by FY'26. The bank's Economist stated that Bangladesh's economy is set to accelerate after a speed bump and the momentum will be driven by an export-demand recovery, strong remittance inflows, and public investment. Policy intervention will be needed for a smooth transition to middle-income status as various benefits will start to get phased away after graduation in 2026.

The international financial institution also believes that despite the depreciation, Taka is still the best-performing currency across Asia. The higher global commodity prices, slower inward remittances and a strong US dollar have been the key headwinds for Taka. The Global Head of Research and Chief Strategist at Standard Chartered observed that while the pace and distribution of global recovery remains highly uneven, Bangladesh has made a strong comeback with one of the highest GDP growths in the world in 2020. A robust vaccination programme and implementation of strategic infrastructure projects are expected to further increase momentum towards the nation's LDC graduation.

The bank also stated that the resilience of Bangladesh economy gives a cause for optimism and as the vaccination drive continues, the economy is set to accelerate, while lower debt levels compared to its peers provide medium-term fiscal runway for growth.

## CASE LAW UPDATE

## M. ASAFUDDOWLAH - VS. - BANGLADESH

### **Background Facts:**

The petitioner, a retired bureaucrat of the country, filed this writ petition through a Public Interest Litigation (PIL) under Article 102(2) of the Constitution of the People's Republic of Bangladesh challenging the process of designating any Officer serving under the Government as an Officer on Special Duty (OSD) beyond the stipulated period of one hundred and fifty days and thereby allowing such Officer to receive salary and other benefits without rendering any service, being in violation of articles 20(2), 31 and 88 of the Constitution, apart from being detrimental to the interest of the taxpayers of the country.

### **Issues before the Court:**

1. Whether the petitioner has locus standi?
2. Whether the practice of making/posting Government officers as OSD beyond the permitted period of 150 days is ultra vires the Constitution?

### **Reasoning of the court:**

In regards to the question of maintainability, the court observed that, the petitioner has locus standi because he is not only a retired bureaucrat, he is also a regular tax-payer of this country. As such, he has a legitimate expectation to be apprised of the manner in which the tax-payers' money is being spent by the Government.

Regarding the practice of making/posting of Government officers as OSD, the court observed that, the vast number of Officers, who are presently posted as OSD, are merely attending office and going back home every day without rendering any service.

However, at the end of the month, they are being paid their salaries and other benefits. This is manifestly in contravention of Article 20 (2) of the Constitution, which prohibits enjoyment of unearned income. In other words, the Government itself is violating the provisions of Article 20 (2) of the Constitution by allowing the officials to enjoy 'unearned income'. Obviously, this could not have been the intendment of the Legislature.

The court also observed that, article 31 contains two directives; the first being a positive one and the second being a prohibitive one. In the first part, the Constitution is categorical in stating that every citizen is to be treated "in accordance with law", while the second part prohibits the taking of any action, save and except in accordance with law, which is detrimental to, amongst others, the "reputation of any person". It is undeniable that when a Government Officer is designated as an OSD, it is detrimental to his/her reputation visa-vis the society. In reality, such Officers face humiliation and degradation not only in the estimation of their colleagues and family members, but also before the society at large. No authority, not even the Government, has the right to degrade or malign a person and his family members in the society without observing the due process of law. Such conduct is undoubtedly arbitrary and *malafide*.

*Continued on Page 3*

## CASE LAW UPDATE

## M. ASAFUDDOWLAH - VS. - BANGLADESH

Finally the court observed that, in the event of any Officer being designated as an OSD, the Government must, without undue delay, form a Committee and undertake an inquiry so as to ascertain the veracity of such allegation/complaint. If the allegation/complaint is found to have substance, the Government should take appropriate action against the concerned Officer, in accordance with law. However, the process of enquiry must be completed within the stipulated period of 150 days. In view of the foregoing discussion and being mindful of the mandate, as contained in Article 20(2) and Article 88 of the Constitution, the court was inclined to hold that the continuation of the process of keeping an Officer as an OSD beyond the stipulated period of 150 days is ultra vires and, therefore, without lawful authority.

### **Decision:**

Consequently, a Rule was issued to show cause as to why the current trend of making/posting the Civil Servants as Officers on Special Duty (OSD) without assigning any special duty, whatsoever, beyond stipulated time should not be declared illegal, ultra vires the Constitution and as such of no legal effect. And ultimately, the Rule was made absolute and the continuation of the process of keeping an Officer as on OSD beyond the stipulated period of 150 days was declared ultra vires and, therefore, without lawful authority.

### *In Other News*

#### World Bank Increases Bangladesh's GDP Growth Forecast

*- says GDP is expected to grow by 6.4% instead of its previous forecast of 5.1%*

Bangladesh's Gross Domestic Product (GDP) is expected to grow by 6.4% in the 2021-22 fiscal year (FY), says the World Bank, revising it up by 1.3 percentage points from its previous forecast. The multilateral lending agency said in June that GDP would grow by 5.1% in the current fiscal.

Bangladesh's growth rates would pick up to 6.4% in the 2021-22 FY as exports and consumption continue to improve. The Government, however, has set a 7.2% growth target for the current fiscal year, as stated in the latest update of the World Bank's South Asia Economic Focus, titled "Shifting Gears: Digitization and Services-Led Development".

According to the World Bank, the South Asian region's economy is expected to grow by 7.1% in 2021 and 2022. While the region's year-on-year growth remains strong, albeit, from a low starting point in 2020, the recovery has been unequal across nations and sectors. South Asia's average annual growth rate is expected to be 3.4% from 2020 to 2023, down three percentage points from the four years prior to the pandemic. The World Bank also said that India's GDP is expected to grow by 8.3% in 2021-22 FY, aided by an increase in public investment and incentives to boost manufacturing.



# Legislative Updates

## Summary of The Textile Industry (Regulations and One Stop Service Centre) Rules, 2021

The National Parliament of Bangladesh after consultation with relevant ministries, divisions, industrialists etc., passed the “Textile Industry (Regulations and One Stop Service Centre) Rules, 2021”. This act published through an official Gazette Notification dated 16th of June 2021 and therefore, for easier understanding the stated Rule has been summarized in the following:

### Key Definitions:

1. “One Stop Service Centre” means special arrangements or centers set up in the department of textiles to facilitate the provision of services under applicable laws.
2. “Recommended Registration” means the industrial certificate issued under Rule 7, sub-rule (1) of this Rules is a temporary registered certificate and it will be authorized only till the production starts.
3. “Existing Registration” refers to the issued certificate under Rule 8 sub-rule 1 of this Rules which is the permanent registered certificate.

### Major Points Covered:

#### Rule 3: Restriction regarding unregistered Textile Industry:

Any person without registration from the authority cannot operate any type of Textile Industry.

#### Rule 4: Process to apply for registration:

In order to get the registration done, one has to pay the relevant government sector an amount referred by schedule 1 of the Rules. After that copy of treasury invoice has to be collected and has to be attached it with the prescribed form. Upon completion of these procedures, the documents should be given to the authority using either online or direct procedure. Any incomplete document will be disbanded.

#### Rule 5: Procedure to obtain existing registration certificate:

In order to achieve the existing registration certificate done, one has to pay the relevant government sector an amount referred by schedule 1 of the Rules. After that copy of treasury invoice has to be collected and has to be attached it with Form 2 (Existing Registration Certificate). Upon completion of these procedures, the documents should be given to the authority using either online or direct procedure. Any incomplete document will be disbanded.

#### Rule 6: Inspection:

Within 3 working days of receipt of the application for the proposed and existing registration certificate under Rule 4 & 5, the registrar shall make arrangements for inspection of the textile industry by any of his subordinate officers. Thereafter, within 10 working days of receipt of the instruction under sub rule-1 of Rule 6, the subordinate officer shall inspect the textile industry on the spot and submit a written report to the registrar.

*Continued on Page 5*



# Legislative Updates

## **Rule 7: Procedure for issuing the proposed registration certificate:**

Documents submitted under sub-rule 1 of rule 4 and inspection report under rule 8 should be verified. And upon verifying the registrar shall issue the proposed registration certificate within 60 days of submission of selected application. The language should be in Bengali and if necessary, English translated certificate will be provided. However, if registrar thinks that the receiver is un-eligible then the application can be rejected, and it should be informed within 7 days. The copy of the issued certificate shall be collected, and a database entry should be done.

## **Rule 8: Procedure for issuance of existing registration certificate:**

Documents submitted under sub-rule 1 of rule 5 and inspection report under rule 6 should be verified. And upon verifying the registrar shall issue the proposed registration certificate within 60 days of submission of selected application. The language should be in Bengali and if necessary, English translated certificate will be provided. However, if registrar thinks that the receiver is un-eligible then the application can be rejected and it should be informed within 7 days. The copy of the issued certificate shall be collected and a database entry should be done.

## **Rule 9: Term of registration Certificate:**

The term of the proposed registration certificate shall be 2 years from the date of the issue and the term of existing registration certificate shall be valid for 3 years from the date of the issue.

## **Rule 10: Changes in forms, tables and schedules, etc.:**

The ministry of textiles and jute may, from time to time, by notification in the official Gazette, change, enlarge, modify, add or subtract the Forms, Tables and Schedule-1 mentioned in this rule.

## **Rule 11: Procedure for renewal of proposed registration certificate, etc.:**

The proposed registration certificates issued under sub-rule (1) and rule 7 shall be renewable. For renewal of proposed registration certificate, at least 3 months before the expiry of its term, a new application has to be made online or directly at the One Stop Service center. If proposed registration certificate is not renewed in time the delay fee as per schedule 1 shall be paid. If someone has already received the proposed registration certificate from Bangladesh Investment Development Authority (BIDA) or the department then application can be made online or directly to the one stop service center for renewal of such certificate within 2 years from the date of issuance of these rules. If registrar is satisfied with the documents, then within 30 working days proposed registration certificate should be renewed and it will be valid for 2 years. And if application is rejected then within 7 working days it should be notified to the applicant in writing.

## **Rule 12: Procedure for renewal of existing registration certificate, etc.:**

Existing registration certificate issued under sub-rule1 of rule 7 shall be renewable. For the renewal of existing registration certificate, at least 3 months before the expiry of its term, the application as per Form-4 along with the fee

*Continued on Page 6*



# Legislative Updates

mentioned in schedule 1 shall be applied online or directly. If proposed existing registration certificate is not renewed in time the delay fee as per schedule 1 shall be paid. If someone has already received the proposed existing registration certificate from BIDA or the department then application can be made online or directly to the one stop service center for renewal of such certificate within 2 years from the date of issuance of these rules. If registrar is satisfied with the documents, then within 30 working days proposed existing registration certificate should be given under the schedule and it will be valid for 3 years only. If application is rejected, then within 7 working days it should be notified to the applicant in writing.

### **Rule 13: Suspension, Cancellation, etc. of registration certificate:**

The registrar may issue a show cause notice to the registrar if that person provided incorrect or untrue information in order to obtain the registration or if that person has breached the law or any provision of this rule or has violated any condition of registration or any allegation of breach of condition. The person should reply within 15 working days to registrar. If the reply is satisfactory then exemption can be granted and if unsatisfactory then there might be a private hearing and at the end of hearing if registrar wants can grant him exemption or by giving reasons the certificate can be suspended or revoked. All these procedures should be completed within 60 days. In the near future if the registrar revokes the reason for suspension, then the suspension on registration certificate can be removed and this should be informed to the person and it shall be published in the newspaper within 7 days.

### **Rule 14: Procedure for amending the registration certificate:**

For the amendment of the proposed registration certificate or existing proposed registration certificate, the registered recipient is required to pay one stop as per form-5 along with the fee and required documents mentioned in Schedule -1 by going directly to the center or applying online. After verification of all documents the registrar or the employee empowered by him may amend the certificate. If a decision is taken to reject the application, the applicant shall be informed in writing within 15 days stating the reasons, therefore.

### **Rule 15: Issue of Duplicate Certificate, etc.:**

In case of loss or damage of the original copy of the registration certificate of any person, such person shall submit the application along with the Registrar as per Form-6 for the duplicate certificate along with the fee mentioned in sub-rule 1 of Rule 15. Upon receipt of the application, the Registrar shall issue a duplicate certificate within 7 working days after verifying and sorting out the relevant documents. A duplicate certificate issued shall remain in force for the remainder of the original registration certificate, unless it has already been revoked and the duplicate certificate shall have the endorsement to the effect that it is a duplicate certificate. No authority or body other than the Registrar may issue duplicate certificate.

### **Rule 16: Formation of One Stop Service Center, Service etc.:**

The department shall have a one stop service center for the purpose of facilitating the process of providing services under the law and these rules including registration of textile industry.

*Continued on Page 7*



# Legislative Updates

One stop service center may be set up in the Divisional and District Offices. There are multiple services which can be provided through the one stop service center and the Forms mentioned under sub-rule 3 of Rule 16 are the prescribed form to be followed while executing any matter under these Rules.

## **Rule 17: Method of providing services at One Stop Service Center:**

Entrepreneur or service recipient of Textile Industry shall submit the application form and related documents mentioned in Form-22 through online or directly at One Stop service center. Upon receipt of the application, an acknowledgement of receipt shall be made with reference to the probable date of rendering the requested service. Through the inspection of the textile industry, where applicable, the requested services may be provided after verifying the application. After application is approved, the applicant shall be informed by e-mail.

## **Rule 18: Disposal of Grievances, Filing of Appeals, etc:**

If there is any grievance regarding receipt of services or any other matter under these rules, it shall be submitted in writing to the Director general (DG) of the Department of Textiles. The Director General shall make arrangements for the disposal of the complaint received under sub-rule 1 of Rule 18 within 14 working days receipt. If any person or registrant is offended by any order issued by the DG, he may appeal to the Government within 30 days from the date of receipt of such order. An appeal under sub rule 3 shall be disposed of within 60 days from the date of filing and the decision of the Government in this regard shall be final.

## **Rule 19: Fee Payment Method:**

Issuance of registration certificate under this rule, renewal thereof and various related fees shall be submitted through treasury invoice in favor of the DG in accordance with Schedule-1 of the Rules.





*Principal Office:*

Mukti Bhaban (Third Floor)  
2 No Comrade Monisingh Sharak  
21/1 Purana Paltan. Dhaka  
Phone: +88 02 22 33 81 540  
Fax: 88 02 22 33 81 476

*Gulshan Office:*

Gulshan Palladium, 3rd Floor,  
Road: 95, Madani Avenue, Gulshan 2,  
Dhaka, Bangladesh

*Court Address:*

Room No 101 (Ground Floor) Supreme Court  
Bar Association Building  
Supreme Court of Bangladesh Ramna, Dhaka

Website: [www.as-associates.net](http://www.as-associates.net)

E-mail: [info@as-associates.net](mailto:info@as-associates.net)