NEWSLETTER

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A.S & Associates
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MOBILE MONEY – driving Growth of Financial inclusion in Bangladesh

Mobile Money drives Growth of Financial inclusion in Bangladesh

While about 57% of the country's population are still excluded from the formal financial system, there has been notable growth in availing financial services in Bangladesh digitally through mobile financial services (MFS) providers like bKash. The development was observed at a report titled "The State of the Industry Report on Mobile Money 2025" published recently by London based Groupe Spécial Mobile Association (GSMA).

According to the GSMA report, in 2024, mobile money providers worldwide processed an impressive $4.6 billion in daily transactions, facilitated through 2.1 billion mobile money accounts. Meanwhile, according to the Bangladesh Bank, average daily transactions through MFS accounts was Tk4,833 crore (approx. $396.17 million) during 2024.

This figure indicates that Bangladesh alone processed about 8.61% of daily global mobile money transactions. However, Bangladeshi people hold about 238.68 million or 11.36% of global mobile money account as of December 2024.

With remarkable growth of MFS in Bangladesh, the nation stands out prominently in the GSMA report due to substantial growth in MFS activities. Notably, the proportion of customers using mobile money for loans in the country doubled from 7% in 2023 to 14% in 2024.

It is noteworthy that bKash, the country's largest MFS provider, has introduced digital loan in collaboration with a leading commercial bank in the country back in 2021. Since its commercial launch, around 1 million bKash customers have secured digital loans over 5.5 million times, totaling around Tk2,800 crore, according to bKash.

Similarly, the GSMA report showed that Bangladeshi customers using mobile money to transfer funds into savings accounts, increasing from 7% to 14% in 2024.

Till December 2024, Bangladeshi people opened over 3.2 million DPS with commercial banks and NBFIs through the bKash app. bKash launched its savings product back in 2021, in gradual collaboration with four commercial banks and an NBFI. Additionally, 10% of Bangladeshi customers paid for insurance products via mobile money platforms in 2024, significantly up from 4% the previous year. bKash introduced insurance service in its platform in 2021 enabling even the remotest customers to be insured by insurance companies that don't have presence this far.

To better illustrate Bangladesh's exceptional position globally in terms of using mobile money, the leading MFS provider bKash's data provides essential context. bKash's figures underscore its critical role in staging the country in the international mobile money landscape.

Although Bangladesh represents just 2.19% of the world's population, bKash significantly amplifies the country's global influence as it accounts for 3.8% of global mobile money users and manages 3.5% of worldwide MFS agents. Despite diverse challenges, Bangladesh continues to maintain a resilient and influential presence within the global mobile money ecosystem.This underscores the country's capability for innovation and highlights its success in advancing financial inclusion on an international scale.

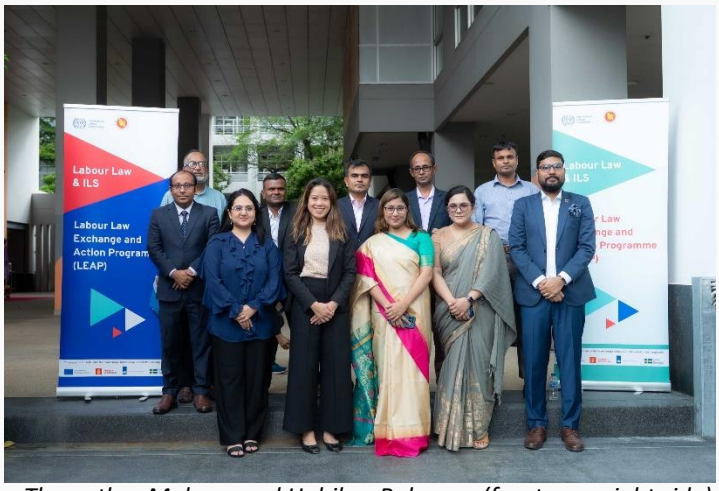
Labour Law Without Borders: Reflections from LLRN 7, 2025 Conference in Bangkok

The 7th Labour Law Research Network (LLRN) Conference, held for the first time in Asia, brought the global spotlight to Bangkok from June 29 to July 1, 2025. Among the hundreds of participants from across the world, nine professionals from Bangladesh representing government, academia, private sector, and legal practice joined the conference, contributing to critical conversations on the future of work and labour rights.

This exceptional opportunity for Bangladeshi participation was made possible through the Team Europe Initiative and the ILO Bangladesh's Labour Law Exchange and Action Programme (LEAP), under the Advancing Decent Work in Bangladesh project. The delegates were selected through a competitive two-stage process, including a rigorous interview by the ILO Bangladesh Office. Among the selected fellows were representatives from the Department of Inspection for Factories and Establishments (DIFE), academia, multinational corporations, Bangladesh Employers Federation, and legal practice.

Our journey began with a special side-session on June 29 titled "Labour Lawyers Networking: Strengthening Professionalism and Serving Society" facilitated by ILO Bangladesh. Moderated by Ms. Chayanich Thamparipattra, the session featured compelling narratives from experts such as Dr. Elena Gerasimova, Dr. Izabela Florczak, Prof. Rick Bales, and Jeffrey Vogt. They shared their experiences in establishing labour law platforms in their own jurisdictions, including Poland and Russia.

Dr. Izabela Florczak's account of the early challenges she faced in Poland was particularly inspiring. She described how, in the initial days, it was incredibly difficult to even identify and connect with fellow labour law researchers to invite them to academic events as there was simply no existing network or shared platform. What began as a challenge to gather like-minded academics eventually evolved into one of Poland's strongest platforms for labour law scholarship and collaboration, called 'COOPERANTE'.



The author Mohammad Habibur Rahman, (front row; right side) with the other participants of LLRN Conference

Similarly, the discussion shed light on the remarkable resilience of Russian labour law scholars, who were compelled to navigate and reconstruct their entire legal framework following the collapse of the Soviet Union. Their ability to adapt amidst profound political, legal, and ideological shifts highlighted the enduring commitment of legal communities to uphold and evolve the discipline of labour law, even in times of systemic turmoil.

Bangladeshi delegate Mr. A B M Imdadul Haque Khan, Associate Professor and Dean of the School of Law at Eastern University, posed a particularly thought-provoking question: how do we create an inclusive labour law platform that respects the distinct voices of academics, practitioners, and regulators in Bangladesh? The consensus was that neutrality and inclusivity are foundational to the success of such a platform.

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Across the three-day event, ten parallel sessions ran in each time slot, offering over a hundred diverse presentations. Among the sessions we attended, several were especially relevant to the evolving landscape of labour law in Bangladesh.

One such session was on Research Methods in Labour Law, which introduced innovative approaches to legal scholarship. A key highlight was the exploration of Photovoice, a participatory research method that uses photography to capture workers' lived experiences. One of the participants raised a question about the potential interpretive bias involved in analyzing such visual data, whether researchers could accurately understand what participants intended to convey through images.

For Bangladesh, where mediation remains optional and underutilized, this comparative insight presents a compelling case for reforming our own dispute resolution procedures to foster quicker and less adversarial outcomes.

The session on Digital Platform and Remote Work tackled one of the most pressing legal challenges of our time: how to regulate the gig economy. Experts examined the shifting legal identities of platform-based workers and debated whether existing labour laws could or should be adapted to fit these new forms of employment. The conversation struck a particular chord given Bangladesh's fast-growing digital labour market, where the legal protections for gig workers remain unclear and inadequate.

The panel, comprising Professors Sean Cooney, Shelley Marshall, and Ania Zbyszewska, acknowledged the complexity of interpretation and shared examples from their own fieldwork. The session emphasized the value of adopting more inclusive, worker-centric research tools in our own academic and policy contexts.

Another standout session focused on Litigating Labour Cases, bringing together jurists and legal practitioners from Japan, New Zealand, China, and Thailand. The discussion revolved around the role of mediation in labour dispute resolution. Notably, both Japan and New Zealand have made mediation a sort of obligatory step in their tribunal processes, contributing to higher resolution rates and reduced litigation burdens.

It became evident that we must act swiftly to reassess and modernize our labour laws to ensure no worker is left behind in this new economy.

Lastly, the discussion on Non-Waivability in Labour Law brought together scholars from Israel, Hungary, Japan, Australia, and the United States to examine how different jurisdictions uphold labour rights that cannot be waived even with the worker's consent. The session explored how laws are structured to protect vulnerable workers from unequal bargaining power, especially in precarious employment settings. For Bangladesh, this session offered important lessons on strengthening legislative safeguards and raising awareness around non-derogable labour standards.

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On the final day, most of us attended the session on Human Rights and Labour Law, which explored how supranational labour regulators approach the boundaries between contractual terms and fundamental rights. The concept of managerial prerogative, reminiscent of the notion of royal prerogative in public law, was particularly striking and prompted reflections on how such discretion interacts with non-derogable rights, especially in jurisdictions like ours, where power imbalances between employers and workers often go unchallenged.

In another session on Collective Bargaining and Freedom of Association, scholars from Poland, Chile, Australia, and Russia offered legal and policy insights into strengthening union rights while navigating complex industrial relations. Professor Nikita Lyutov's reflections on post-socialist legal reform brought valuable comparative perspective to our own context.

The session on Social Protection of Workers highlighted the exclusion of migrant and informal workers especially women from existing systems. A key moment was the dialogue with Professor Marius Olivier about the entrenched Kafala system (employer tied visa) in the Gulf and its impact on female domestic workers. The session reinforced the urgency of integrating a rights-based approach into Bangladesh's labour migration framework.

Several LEAP fellows also participated in sessions on workplace discrimination, gender and employment, women at work, and due diligence in global supply chains. These discussions offered powerful insights into the structural inequalities and evolving labour standards affecting workers globally, prompting us to critically reflect on similar challenges in the Bangladeshi context and the urgent need for more inclusive and rights-based policy interventions at home.

Beyond formal sessions, Bangladeshi LEAP fellows held several informal discussions focused on building a national labour law platform. Ideas included organising internal knowledge sessions, university outreach, launching a blog, and sharing key legal decisions. These conversations reflected a shared commitment to continuing collaboration beyond the conference.

In addition to academic engagement, the conference was a celebration of global solidarity. The sheer opportunity to interact with former ILO expert committee members, leading professors, and passionate researchers was itself a privilege. Many of us left Bangkok with new professional relationships that we hope to nurture into long-term collaborations.

Key takeaways from the conference highlight several pressing needs for the Bangladesh context. Foremost among these is the establishment of a national platform for labour law, where researchers, practitioners, and regulators can engage in meaningful and sustained dialogue. There is also a growing necessity to adopt more empirical and participatory research methodologies such as Photovoice to better capture and understand the lived realities of workers. Additionally, serious reforms are needed to integrate mediation and alternative dispute resolution (ADR) mechanisms more effectively within our labour court system, ensuring faster and more humane outcomes. Finally, proactive legal reform is essential to address the challenges posed by digital workspaces, gig economy platforms, and remote employment arrangements, which are rapidly transforming the structure of labour in Bangladesh.

We extend our deepest thanks to the International Labour Organization (ILO) and the Team Europe Initiative, whose financial and institutional support made our participation possible. Their continued commitment to promoting decent work and legal reform in Bangladesh is paving the way for a more inclusive and informed future.

We return not only more knowledgeable but more hopeful, hopeful that Bangladesh will soon foster its own vibrant community of labour law researchers and advocates, ready to shape just and equitable workplaces for all.

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LEGISLATIVE UPDATES

The Bank Resolution Ordinance, 2025

The Bank Resolution Ordinance, 2025, has been enacted as a legislative framework designed to regulate and facilitate the orderly resolution of distressed and non-viable banks. The Ordinance designates Bangladesh Bank as the Resolution Authority, granting it broad powers to intervene in failing banks, restructure their operations, and where necessary, to facilitate their orderly exit from the market. By consolidating scattered regulatory provisions into a single statutory framework, the Ordinance represents a pivotal shift away from ad hoc bailouts towards a structured and more balanced mechanism, specifically designed to protect depositors and safeguard systemic stability.

The Ordinance provides the Resolution Authority (i.e., Bangladesh Bank) with a wide range of methods. These include the power to establish 'bridge banks' in order to maintain critical financial services, the authority to carry out purchase and assumption arrangements by transferring assets and liabilities to stronger institutions, and the ability to impose bail-in measures through the write-down or conversion of liabilities. In extreme cases, the Resolution Authority may dissolve or restructure weak banks in an orderly manner. The framework also includes a system of prompt corrective action, requiring early intervention when capital adequacy, liquidity, or asset quality thresholds are breached. These measures are aimed to ensure timely supervisory response, reducing the risk of corruption and preserving public confidence in the financial system.

Another significant feature of the Ordinance is its depositor protection framework. The law establishes a statutory hierarchy of claims, guaranteeing that depositors' interests are prioritized above those of shareholders and unsecured creditors. The Ordinance also provides for temporary government takeover of banks upon the recommendation of Bangladesh Bank. Such measures are presented as extraordinary interventions to preserve continuity of services, particularly in circumstances where the collapse of a financial institution may jeopardize broader economic stability.

While the Ordinance marks a progressive step in aligning domestic law with international standards, it raises serious concerns from a constitutional and commercial perspective. The concentration of power in Bangladesh Bank, which is now both regulator and resolution authority, may undermine due process. The determination of a bank as "non-viable" remains largely subjective, and the absence of detailed procedural safeguards or avenues for judicial review risks exposing the process to arbitrariness. This creates tension with fundamental principles of fairness and equality before law.

Further, the bail-in provisions, although intended to reduce fiscal dependence on public funds, create uncertainty for creditors. The compulsory conversion of debt into equity or the writing down of liabilities without creditor consent may undermine confidence in banking contracts and elevate the cost of capital across the sector. In practice, such uncertainty may restrict access to credit and reduce foreign investment in the financial system. The framework also gives rise to the risk of moral hazard, as bank owners and managers may rely on state intervention rather than exercising prudent financial discipline, thereby perpetuating the very vulnerabilities the law seeks to address.

The government's power to temporarily assume control of banks raises further concerns. Although justified as a tool to protect depositors and critical banking functions, the provision may be subject to politicization. Without adequate procedural safeguards, there remains the possibility of selective enforcement or undue influence, which could compromise both the independence of private institutions and the credibility of the banking sector. Unlike comparable frameworks in other jurisdictions, which incorporate creditor committees and clear accountability mechanisms, the Ordinance centralizes discretion in the hands of the executive and the central bank, leaving limited scope for external oversight.

In sum, the Bank Resolution Ordinance 2025 represents a bold and necessary reform, aimed at strengthening the resilience of the banking sector, protecting depositors, and aligning Bangladesh with global standards of financial regulation. Its strength lies in its structured approach to bank resolution and its prioritization of public interest over private shareholder value. Nevertheless, its long-term success will depend on how transparently and impartially its provisions are implemented. Unless accompanied by robust institutional safeguards and effective judicial oversight, there is a risk that the Ordinance could substitute one form of arbitrariness with another. Its ultimate test will come in practice, when it is first invoked to resolve a distressed bank, and whether the process is able to achieve stability without compromising fairness, accountability, and the rule of law.

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CASE UPDATE

M.T. Gagasan Johor and Ors. Vs. M.V. Banglar Shikha and Ors. Admiralty Suit No. 36 of 2017

Fact:

M.T. Gagasan Johor (1st plaintiff vessel) and its registered owner, Gagasan Joh Sdn. of Kuala Lumpur, Malaysia (2nd plaintiff), filed Admiralty Suit No. 36 of 2017 before the High Court Division of the Supreme Court of Bangladesh, seeking USD 4,150,200 in damages with interest and costs against M.V. Banglar Shikha, its Master, its registered owner Bangladesh Shipping Corporation, and others. The claim arose from a collision on 21.05.2016 between the two vessels within the territorial waters of Bangladesh.

The Court admitted the suit on 08.06.2017 and ordered the arrest of M.V. Banglar Shikha, later modifying the order by directing the deposit of two original registration certificates as security, upon which the vessel was released. By that time, the 2nd plaintiff company had already been wound up by order of the High Court of Malaya on 02.02.2017, and a liquidator had been appointed. However, the suit was filed by the company's constituted attorney on the strength of a power of attorney previously executed by its CEO.

Issues:

A. Whether a ship or vessel itself institute a suit as plaintiff to claim damages?

B. Whether a power of attorney executed by the CEO of a company before its winding-up remain valid for filing a suit after the winding-up?

Judgement:

As regards to the juristic personality of a ship, the Hon'ble Court have considered several decisions such as in The Bombay and Persia Steam Navigation Co. Ltd. v. Shepherd (1888), the Bombay High Court noted that in collision cases it is common that both the ship and her owners are made defendants.

The Supreme Court of India in M.V. Elisabeth v. Harwan Investment (1993) reaffirmed that an action in rem is directed against the ship itself, treated as a person for satisfying claims from the res, i.e., the ship or its sale proceeds. However, scholars such as Samareshwar Mahanty have cautioned that this fiction cannot be extended to treating the ship as a plaintiff. Mahanty argues that a ship has no independent corporate capacity and cannot sue in its own right; only the owners may do so.

It is settled principle in admiralty jurisprudence that the 'res" is the ship. If the 'res' is ascribed a full legal character, the ship should be permitted to sue as a plaintiff to recover the loss and damages sustained by her owners as a result of the damage done to her. If the ship were allowed to sue and the owners abandoned the claim, questions would arise as to who could represent the vessel. Any person other than the owners would not have suffered the loss but would wrongly benefit from the decretal amount. This would create an anomaly and an abuse of process. Therefore, the vessel M.T. Gagasan Johor is not competent to file the suit as plaintiff.

As regards to the second issue the plaintiff, a Malaysian company and the owner of the vessel, was wound up by the High Court of Malaya on 02.02.2017. Yet, the present suit was filed on 08.06.2017 by its constituted attorney under a power of attorney executed before winding up. Upon liquidation, that authority became invalid, and only the official liquidator or his attorney could institute proceedings. Judicial precedents and statutory provisions make it clear that a plaint filed under an invalid power of attorney cannot be treated as properly presented. Since no ratification by the liquidator was obtained, the suit on behalf of the 2nd plaintiff is not legally maintainable.

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