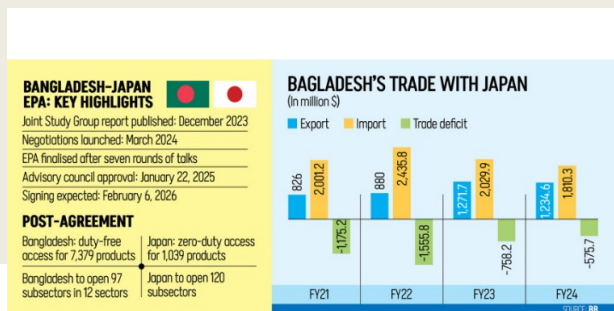


AMC WEEKLY SPOTLIGHT

COURTESY OF AMC RESEARCH & DEVELOPMENT TEAM



Govt. approves EPA signing with Japan

It will be Bangladesh's first full-fledged trade agreement with a major partner

The interim government's advisory council yesterday approved the signing of an Economic Partnership Agreement (EPA) with Japan, paving the way for duty-free market access for Bangladeshi exports to the East Asian country after LDC graduation.

Bangladesh is scheduled to graduate from LDC (least developed country) status in November this year.

Google News LinkFor all latest news, follow The Daily Star's Google News channel. Once the agreement comes into effect, Japan will allow duty-free access for 7,379 products, which are 97 percent of Bangladesh's export basket, including the main garment items, according to a press release from the commerce ministry.

In return, Bangladesh will provide duty-free access to 1,039 Japanese products, largely in phases over 18 years.

With the advisory council's approval, all procedural steps required for signing the agreement have been completed, Commerce Secretary Mahbubur Rahman told The Daily Star over the phone.

He said the Japanese government has also approved the final draft, and the EPA is scheduled to be signed in Tokyo on February 6. Senior officials from both countries will attend the signing ceremony.

The deal will be Bangladesh's first full-fledged trade agreement with a major partner. So far, the country has signed only one preferential trade agreement, also with Japan, in December 2020.

Unlike a conventional tariff-focused trade deal, the EPA covers a broad range of areas, including investment, services, labour standards, regulatory cooperation and compliance issues.

Earlier, at a press conference in December last year, Japanese Foreign Minister Motegi Toshimitsu endorsed the draft during a phone conversation with Commerce Adviser Sk Bashir Uddin.

The EPA introduces single-stage transformation

How to Cancel Taxpayer Identification Number (TIN)

A person can apply for cancellation of their registration under certain conditions

Section 262 of the Income Tax Act, 2023 provides a structured legal framework for the cancellation of Income Tax Registration (TIN) in Bangladesh. This provision addresses situations where a taxpayer no longer requires registration due to genuine and reasonable causes.

A taxpayer may apply for cancellation if they are no longer required to file a return under the relevant sections of the Act, are no longer classified as a taxpayer, or have had nil taxable income for the past three consecutive years with no future likelihood of income due to valid reasons such as permanent disability. Cancellation is also permitted in cases of death of the taxpayer, dissolution or cessation of business, permanent departure from Bangladesh without any local income source, or a change in legal status. Erroneous or unnecessary registration and other reasonable grounds are also recognized.

To obtain cancellation, the taxpayer must apply to the tax authority stating valid reasons. The authority may approve the application after verification, subject to strict conditions: no outstanding tax liabilities, no pending assessments, no ongoing disputes, and truthful, substantiated grounds for cancellation.

The National Board of Revenue is additionally empowered to cancel registration on its own initiative where sufficient cause exists, including absence of a genuine income source, fraudulent registration, involvement in financial crimes, or submission of false or misleading information.

Importantly, cancellation or deregistration does not result in deletion of taxpayer records. The tax authority may retain records for prescribed periods for audit, verification, investigation, or legal purposes. Deregistration therefore renders the TIN inactive or dormant while preserving administrative continuity.

Overall, Section 262 balances taxpayer relief from unnecessary compliance burdens with the tax authority's need to safeguard revenue, prevent misuse, and ensure transparency and accountability within the tax system.

Bangladesh's Primary Textile Sector Crisis
 India's Cheap Yarn & Import Pressure

- 50-60 Mills Closed
- Local industry under pressure
- 70 Crore kg Yarn Imports 2024-25
- After LDC Graduation: 40% Local Value Addition Challenge
- 16% High Loan Interest
- Lack of Preparation
- \$42 Billion Garment Exports
- \$32 Billion Raw Material Imports
- Retention value only \$10 Billion
- Losing Competitiveness: India's subsidized cheap yarn, Local primary textile sector at risk
- Need to Protect Local Industry & Ensure Fair Policies

Bangladesh Primary Textile Sector Crisis

He also pointed to past disruptions, noting that when India halted cotton exports, local millers faced trouble. Over-reliance on a single source, he said, could pose a serious threat to Bangladesh in the future.

The BTMA president said after the country graduates from the least developed club in November this year, a minimum of 40 percent local value addition will be required to enjoy trade benefits in foreign markets. But the government has made no preparations.

provisions for garments, easing rules-of-origin requirements.

The agreement also includes a chapter on trade in services. Bangladesh has agreed to open 97 sub-sectors across 12 service sectors to Japan, while Japan will open 120 sub-sectors to Bangladesh. The move is expected to facilitate greater Japanese investment and technology transfer.

Japanese investment in Bangladesh currently stands at about \$500 million, a small fraction of Japan's global outward investment.

The East Asian country remains Bangladesh's largest export destination in Asia, with shipments currently standing at nearly \$2 billion, driven largely by demand for Bangladeshi garments under Japan's duty-free access scheme for LDCs.

Last month, Japan reaffirmed to the World Trade Organisation that it would continue duty-free market access for Bangladesh for three more years, up to 2029.

"The EPA between Bangladesh and Japan is an extremely important milestone for Bangladesh," said Mohammad Abdur Razzaque, chairman of Research and Policy Integration for Development (RAPID).

"It sends a strong signal that Bangladesh can successfully negotiate comprehensive trade agreements with major global partners," he added.

Bangladesh has been pursuing trade agreements with major partners to secure preferential market access after LDC graduation. Studies suggest the country could lose up to \$8 billion in annual exports once LDC-related benefits expire.

At present, around 73 percent of Bangladesh's exports depend on LDC-related trade facilities. Bangladesh is the largest beneficiary of such preferences, accounting for 67 percent of benefits extended to all 44 LDCs.

Negotiations on the EPA began in May 2024 and concluded after eight rounds, with the final round held in Tokyo in September last year.



ICAB SAFA international conference 2026 in Dhaka

SAFA International Conference 2026 Held in Dhaka with Global Accounting Leaders Dhaka, January 17, 2026 — The SAFA International Conference 2026 was successfully held in Dhaka, bringing together accounting professionals and leaders from across South Asia and beyond.



Spinners threaten factory shutdown from Feb 1

Textile millers say production will halt if the government does not end duty-free yarn imports within this month

Local textile millers have threatened to shut spinning units from February 1 for an indefinite period if the government does not withdraw the duty-free import facility for yarn by the end of this month.

While speaking at a press conference at the Bangladesh Textile Mills Association (BTMA) office in Dhaka yesterday, BTMA leaders said the government would bear responsibility for any labour unrest that might follow factory closures.

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Spinners also warned that shutting production units could make it impossible to repay bank loans and other financial obligations.

They said domestic mills are sitting on unsold stock worth Tk 12,500 crore as cheap Indian yarn floods the local market.

The statement came amid opposition from apparel manufacturers and exporters to the commerce ministry's recommendation to end duty-free benefits under the bonded warehouse facility for certain yarn imports.

BTMA leaders say that local mills are capable of producing sufficient yarn to meet domestic demand. But the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) say domestic yarn prices for 10 to 30 count cotton are higher than imports.

At the press conference, BTMA President Showkat Aziz Russell described the situation as a "national crisis" and an "emergency" for the local spinning sector.

He said that many mills are operating at just 60 percent capacity due to a gas shortage, yet the government continues to collect tax and value-added tax (VAT) without reducing gas prices.

Russell also complained that the government is not allowing discussions on the sector's challenges. He also called around 16 percent interest on bank loans "misguided".

Former BTMA director Razeeb Haider said the sector's problems are not the result of recent events but of long-term disadvantages created by the Indian government's subsidies for its textile and garment industry. "Now Bangladesh risks losing its competitiveness against Indian yarn," he said.

He said that 35 crore kilogrammes of cotton yarn were imported in fiscal year 2022-23, rising to 69.81 crore kilogrammes in fiscal year 2024-25, at costs of Tk 14,400 crore and Tk 26,400 crore, respectively. Nearly 78 percent of these imports in 2024-25 came from India, showing heavy dependence on a single source.

"Are we securing local competitiveness in the yarn business?" Haider asked. "The local spinning mills are capable of supplying all required cotton yarn."

According to the spinners, they are not calling for a blanket suspension of yarn imports but only for 10 to 30-count yarn. Other counts, from 1 to 9 and 31 to 100, remain open to import.

Russell praised the government for stopping yarn imports through land ports in early 2025, saying imports via sea now show the true picture of the market. India's dynamic textile policy, backed by heavy subsidies, threatens the local \$23 billion primary textile sector.

BTMA Director Badsha Mia said local mills face pressure from the cheaper, subsidised Indian yarn. "Because of lost competitiveness, 50 to 60 mills have already closed over recent years as they could not survive the unfair competition," he said.

"The local primary textile sector is under even greater pressure as international clothing brands increasingly select foreign fabrics," Mia said.

As a result, Bangladesh exports \$42 billion in garments but imports \$32 billion in raw materials, leaving a retention value of just \$10 billion, excluding environmental and water costs, he added.

"Initially, the bonded warehouse facility was necessary for the garment sector," he said, "but the local backward linkage industry has now matured and can support domestic needs."

Niloy Roy Achieves First Prize in Last Week's AMC English Session



Last week, AMC English session was held, where Niloy Roy achieved first prize. The award was presented by the firm's top senior, Md. Abu Bakar Siddik, ITP.