

Ideas to Improve Bangladesh's Capital & Financial Markets

- Raise risk awareness and financial literacy among small investors.
- More training opportunities for investors.
- Increase enlistment of companies in the capital market.
- Ensure easy access to long term credit.
- Ensure eligible companies are entering the capital market.
- Increase private sector investment in the capital market.
- Strengthen SEC with proper equipment and skills.
- Increasing coordination among the regulators i.e. IDRA, Bangladesh Bank, NBR and SEC.
- Strengthen internal financial control through corporate governance.
- Regulate and enforce breaches to market manipulation including insider trading.
- Ensure consent of regulators before a company is allowed to enter the capital market.
- Impose investment restriction on small investors.
- Raise investor's awareness about securities market situation.
- Establish a Fiscal Measure Facility.
- Make mutual funds open ended.
- Promote separate platform for mutual fund.
- Promote Islamic capital Market.
- Increase access to international capital market.
- Issue sovereign bonds as a source of external financing.
- Review and extend autonomy of Bangladesh Bank.
- Bring all non-performing portfolios under the regulatory supervision of Bangladesh Bank.
- Bring NBFIs depositors under insurance coverage.
- Easy and simplified procedures of reporting to Bangladesh Bank [to support growth of NBFIs].
- Focus of NBFIs should be on low risk industrial segments.
- Ensure that lending and leasing are not mixed in the same business portfolio.
- Develop insurance industry [presently serving only 1%-2% of population].
- Develop the mutual fund segment of the financial sector.
- Expedite implementation of Financial Reporting Act (FRA) 2013.
- Upgrade accounting and auditing standards - International Accounting Standards (IAS) and International Standards of Auditing (ISA).
- A MoU/protocol between SEC and Bangladesh Bank on the collection and sharing of supervisory information and in enforcing conduct requirements.
- Adopt clear and consistent regulatory processes to enable SEC prosecution of crucial cases.
- Implementation of BASEL-III framework for bank companies.
- Establish a Special Capital Market Tribunal engaging Ministry of Law and SEC.

- Begin the process of cross-border cooperation and information sharing with regulatory regimes.
- Set eligibility criteria and regulation standards governing collective investment schemes.
- Ensure compliance of market intermediaries with standards for internal organization and operational conduct.
- Expand taxpayer base by monitoring ownership of all sizeable physical and financial assets of taxpayers, and determining income generation out of those assets.
- Creation of a central database to administer withholding agencies.
- Broaden tax revenue sources through identifying new/potential taxpayers.
- Increase tax incomes from service providers and self-employed.
- Equal treatment of all sources of income without discrimination for households.