



Legal Counsel

BARRISTERS-ADVOCATES-LEGAL CONSULTANTS

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NEWS BULLETIN



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EDITORIAL

As a part of our continuing effort to disseminate key legal information, we are pleased to bring out the eighteenth issue of the quarterly 'The Legal Counsel News Bulletin' with some important quarterly updates as well as an overview of the year 2023 as we come to bid farewell to the year.

ON A SERIOUS NOTE:

A man in an interrogation room said "I am not saying a word without my lawyer present". "You are the lawyer" replied the policeman. "Exactly, so where is my present?" replied the lawyer.



THE DIGITAL BANK HYPE

With the Government of Bangladesh realizing its Digital Bangladesh 2021 dream and elevating to Smart Bangladesh 2041 vision, one can only expect total digitalization of what was already partially digitized. One great example is banking, which, although is digitally accessible already, still has physical existence: a place to go to for depositing or collecting cash or kind, having face-to-face conversation with bank representatives to collect information, submit documents and complete all processes for opening accounts or obtaining loan, for instance. Mid-2023, Bangladesh experienced the new 'Digital Bank' hype, leaving us pondering on how different could it be?

Almost all listed private and public banks of Bangladesh now offer digital accessibility, with apps and web page based online services, whereby one can transfer money instantly from one account to another instantly, view statements, pay bills, apply for fixed deposits, small credits, and so on. During the Digital Bangladesh movement, the citizens experienced yet another innovation, Mobile Financial Services (MFS) that revolutionized handling money, making payments and receipts of payments from every nook and cranny of the country one pressing-of-a-button away, benefitting mass people, starting from the rickshaw-puller Mr Karim sending money back home in Tetulia, to the businessman Mr Islam in Chattogram who just booked several cows from an agro business in Teknaf, sending thousands through MFS. MFS even enables cross border transactions, allowing inward remittances only at the moment. Then how is digital bank going to be any different?

The key differences between MFS and digital banks

MFS and digital banks have many differences: MFS does not allow granting loans and the transaction limit, be it per transaction or daily or monthly, is still limited. Further, fixed deposit schemes and deposit pension schemes are alien to MFS.

The key differences between conventional banks and digital banks

The distinction between digital and conventional banking is not always black and white. Many regular banks now offer decent online banking platforms, clouding the lines between the two. It is likely that customers will often choose between digital and conventional banking based on their individual preferences for accessibility, convenience, and the range of services offered. Yet, digital banking and conventional banking differ in several key ways. Digital banks operate solely online, having no physical branches, sub-branches, or even ATM booths, while traditional banks offer in-person services through physical branches in addition to online banking options. This means regular banks can offer locker services that digital banks cannot.

Digital banks often have lower operational costs, as they do not need to maintain physical branches. This can result in lower fees, higher interest rates on savings, and more competitive loan rates. This also explains the reason for requiring lesser paid-up capital, which is discussed below.

Digital banks primarily offer core banking services like savings, loans, and payments, often complemented by innovative fin-tech products. Conventional banks, in contrast, provide a broader spectrum of financial products and services, encompassing banking, small and large investments, insurance, and wealth management.

Digital banks lead in tech innovation with mobile check deposits, budgeting tools, and real-time alerts. Traditional banks, while slower to adapt, have improved their online and mobile services in response to digital competition.



Key features of Digital Banks

Establishing a digital bank

Bangladesh Bank has set the minimum paid-up capital requirement for a digital bank at Tk125 crore whereas a conventional bank requires minimum Tk500 crore to get the license. The minimum shareholding of each sponsor will be Tk50 lakh (maximum 10% or Tk12.5 crore).

Entrepreneurs will have to secure a digital-bank license from the Bangladesh Bank under section 31 of the Bank Company Act 1991 and have to follow instructions of the Bangladesh Payment and Settlement System Regulation 2014 to operate its payment service alongside the Digital Banking Guidelines/Regulations published by the Bangladesh Bank in June 2023.

Digital banks are to offer efficient, low-cost and innovative digital financial products and services through an online end-to-end tech-based digital ecosystem using AI, machine learning, block chain and other advanced technologies of the 4th Industrial Revolution (4IR) to serve customer needs and reach unserved, underserved and hard-to-reach (hill districts, islands etc.) market segments for promoting financial inclusion.

The great purpose behind the creation of digital banks in Bangladesh

As we delved deep into the material reason for the creation and allowing of digital banks in Bangladesh, it was rather intriguing. It is aimed at those farmers, fishermen, milkmen, who often need to borrow money to expand or even continue running their business. These are people who do not have a bank account but need access to credit and means of payment. They are customers that traditional banks do not absorb because they do not pass the more complex credit checks. This results in them turning to loan sharks, who charge a whopping daily interest of 40%. They then borrow afresh from another loan shark to pay the first loan shark and thereby get trapped in a vicious cycle of debt, often ending up losing everything.

Digital banks can offer these people loans at an affordable single-digit interest rate, which can essentially change lives of this outsized, under-banked population. Additionally, with no burden of maintaining physical branches and thereby having extremely low costs of operations, their strong unit economics would mean digital banks would be able to provide collateral-free loans at single-digit interest rates.

CURRENT AFFAIRS



In a country, infrastructure-megaprojects are important drivers for boosting up economic growth. With the inauguration on 28 October, 2023 of a 3.4-kilometre long Bangabandhu Sheikh Mujibur Rahman Tunnel, an underwater expressway tunnel in the port city of Chittagong under the Karnaphuli river, is one of such undertakings that is expected transform the communications, transportation, ports and energy scenario of Bangladesh in days to come. In a phenomenal feat of engineering the Tunnel stands as the first-ever under-river tunnel for road communication in South Asia.



On November 5, 2023, Bangladesh launched the full route of its first metro rail, ushering in a new era of communication that promises a quick, dependable, and safe ride through a congested Dhaka. After Pakistan and India, Bangladesh is the third nation in South Asia to have metro rail. While Pakistan debuted its mostly elevated metro line in Lahore in October 2020, India debuted its first 3.4 km underground metro rail in Kolkata in 1984. By bus, the trip from Uttara to Motijheel Road takes more than three or four hours. By metro rail, it will be feasible to get there in forty minutes. Dhaka people's lives will be much simpler and more fulfilling thanks to metrorail, especially those in Dhaka. Individuals will work longer hours. It will increase economic prosperity by adding hours of human labor. There will be more production. The nation's citizens will reap significant financial benefits. The standard of living for people will rise.

NEW IMPORTANT LEGISLATIONS (OCTOBER 2023-DECEMBER 2023):

1. The Abandoned Houses (Supplementary Regulations) Act, 2023.
2. The Bangladesh Homoeopathic Medical Education Act, 2023.
3. The Sylhet Development Authority Act, 2023.
4. The District (Enforcement in Chittagong Hill Tracts) Act, 2023.
5. The New Development Bank Act, 2023.
6. The Father of the Nation] Since and Technology University, Narayanganj Act, 2023.
7. The Bangladesh Economic Zone (Amendment) Act, 2023.
8. The National Disability Development Foundation Act, 2023.
9. The Bangladesh Dairy Development Board Act, 2023.
10. The Bangabandhu Sheikh Mujib Medical University (Amendment) Act, 2023.
11. The Secured Transactions (Immovable Property) Act, 2023.
12. The Thakurgaon University Act, 2023.
13. The Bangladesh Film Certification Act, 2023.
14. The Bangladesh Patent Act, 2023.
15. The Bangladesh Institute of Management Act, 2023.
16. The Sylhet Medical University (Amendment) Act, 2023.
17. The Customs Act, 2023.
18. The Satkhira University of Science and Technology Act, 2023.
19. The Ansar Battalion Act, 2023.
20. The Bangladesh Police Welfare Fund Act, 2023.
21. The Zoos Act, 2023.
22. The Bangabandhu Sheikh Mujib Shariatpur Agricultural University Act, 2023.
23. The Finance Companies Act, 2023.
24. The Lakshmipur University of Science and Technology Act, 2023.

LEGAL COUNSEL NEWS



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News Bulletins published



1940+

Client instructions/briefs received throughout 2023



45+

New clients instructed LC in 2023



325+

Free legal advice, opinions, services in 2023



13.3% of the pending cases at the district court level were disposed of in 2023 with 59.5% of such cases being disposed of in favour of the clients. Apart from the district courts, Legal Counsel has cases pending before the Labour Court, Labour Appellate Tribunal, High Court Division, Appellate Division, and other tribunals/forums.

QUEST

Development Sector:
The Legal Framework

Legal Counsel Quest Series Booklet 2

“DEVELOPMENT SECTOR: THE LEGAL FRAMEWORK”, launched in December 2022, was sent out to 175+ INGOs and 50+ NGOs throughout 2023. Apart from receiving great appreciation, Legal Counsel was able to meet its purpose of spreading legal knowledge in relation to the development sector, which is one of the major contributors of the society.



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Internal and external capacity building training sessions and talks held at LC

QUARTERLY NEWS & RECOGNITION



Barrister Miti Sanjana, Partner at Legal Counsel, was invited as a state guest to the Republic of Azerbaijan at the NAM conference on ‘Advancing the Rights and Empowerment of Women’ held in October 2023



Legal Counsel has been conferred with the ‘Best Corporate Law Firm 2023’ - Bangladesh Award by the prestigious Acquisition International based on the independent market research and clients’ feedback.



LEGAL COUNSEL BEING RANKED AS A “LEADING FIRM” BY CHAMBERS & PARTNERS IN 2023.



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In 2023, Legal Counsel joined hands with a renowned law firm of Portugal, having presence in several other jurisdictions in the world, namely ‘Oliveira Gomes Advogados’ with a view to collaborate in a Strategic Partnership to better provide cross-border legal services in all the places that the firms have affiliated offices. The law firms intend to provide legal services in litigation, arbitration, general commercial and corporate laws, foreign direct investment, real estate and property laws, labour and employment laws, industrial and intellectual property laws, foreigners and immigrants laws, amongst others.

PRO-BONO WORKS : PUBLICATIONS AND TV SHOWS (OCTOBER 2023 - DECEMBER 2023)

PUBLICATIONS AND INTERVIEWS

- ✔ ‘Threats upon wanting to break relationship’ | Barrister Miti Sanjana, Partner of Legal Counsel | Prothom Alo | October 11, 2023; <https://legalcounselbd.com/threatening-me-for-end-relationship>
- ✔ ‘Negative or positive, both intrigue me’ | Barrister Miti Sanjana, Partner of Legal Counsel | Prothom Alo | November 08, 2023; <https://legalcounselbd.com/positive-and-negative-feedback-encourage-me>
- ✔ ‘Come forward in ending violence against women and children’ | Barrister Miti Sanjana, Partner of Legal Counsel | Jago News | November 08, 2023; <https://legalcounselbd.com/end-violence-against-women-and-girls>
- ✔ ‘26 years of Hill-tracts Peace Treaty, peace and prosperity’ Barrister Miti Sanjana, Partner of Legal Counsel | Amader Shomoy | December 04, 2023; <https://legalcounselbd.com/26-years-of-hill-peace-peace-and-prosperity>
- ✔ ‘Cross-religious marriage and custody of children’ Barrister Omar H. Khan, Partner and head of chambers of Legal Counsel | The Daily Star | December 08, 2023; <https://legalcounselbd.com/cross-religious-marriage>

TV SHOWS AND INTERVIEWS

- ▶ Money Laundering, Barrister Rabiya J Firoz, Chief Executive Lawyer of Legal Counsel | ATN Bangla | October 22 , 2023; <https://youtu.be/zatp1buAqoE>
- ▶ Disability Rights Act, Barrister Rabiya J Firoz, Chief Executive Lawyer of Legal Counsel | ATN Bangla | October 23 , 2023; <https://youtu.be/GukSYfKfunk>
- ▶ '2575 women and girls: victims of violence in 10 months' | Ekattor Shokal || Barrister Miti Sanjana, Partner of Legal Counsel | Ekattor TV | November 29 , 2023; <https://youtu.be/XFzsz1zE7-s>
- ▶ 'Dipto TV special talk show:26 years of Peace Treaty: achievements and reality' Barrister Miti Sanjana, Partner of Legal Counsel | Deepto TV | December 03 , 2023; https://youtu.be/uq_j3mSW7Fo
- ▶ 'Peace Treaty and touch of developments' Barrister Miti Sanjana, Partner of Legal Counsel | Jamuna TV | December 03 , 2023; <https://www.facebook.com/JamunaTelevision/videos/1395914757943842/>
- ▶ Ekushey Special Programme: "Chattogram Peace Treaty" Barrister Miti Sanjana, Partner of Legal Counsel | Jamuna TV | December 02 , 2023; <https://youtu.be/TFv4DLtmj2c>
- ▶ Peace of the mountains | Editorial Barrister Miti Sanjana, Partner of Legal Counsel | Shomoy TV | December 02 , 2023; <https://youtu.be/MQmVBAAbRud8>
- ▶ Peace of the mountains | Jonotantra Gonotantra Barrister Miti Sanjana, Partner of Legal Counsel | News24 | December 02 , 2023; https://youtu.be/QgGcvRGD_Ak
- ▶ The story of the transformation of Smart Bangladesh Barrister Miti Sanjana, Partner of Legal Counsel | News24 | December 09 , 2023; <https://youtu.be/gNfLTR7ZnzE>
- ▶ Black market laws, Barrister Rabiya J Firoz, Chief Executive Lawyer of Legal Counsel | ATN Bangla | December 18 , 2023; <https://youtu.be/2ZwL0pxclQ>
- ▶ Enlightening episode of Lumiere by Grameenphone on Barrister Miti Sanjana, Barrister Miti Sanjana, Partner of Legal Counsel | Grameenphone | December 20 , 2023; <https://youtu.be/vZUmCBGlyVw>



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