

Digital Bank in Bangladesh

Digital banking in Bangladesh refers to the modernization and digitization of traditional banking services in the country. With the rapid advancement of technology, banks in Bangladesh are now offering various digital platforms and tools to provide convenient and hassle-free banking experiences to their customers.

Through digital banking, individuals can perform a wide range of financial transactions using their smart phones, computers, or other internet-enabled devices. These transactions include fund transfers, bill payments, account balance inquiries, loan applications, and much more. The aim is to provide customers with instant access to their accounts anytime and anywhere.

One of the major benefits of digital banking in Bangladesh is the increased accessibility it offers to the unbanked population. With a significant portion of the country's population still excluded from formal financial services, digital banking provides an opportunity to bridge this gap. By offering services that can be accessed through basic mobile phones,

even individuals in remote areas can now have access to banking facilities.

Another advantage of digital banking in Bangladesh is its ability to enhance transparency and reduce corruption. By digitizing transactions, there is an electronic trail that can be easily monitored and audited. This helps in promoting accountability and ensuring that funds are being utilized for their intended purposes.

Bangladesh Bank (BB) completed the preparations of the '**Digital Bank**' policy for approval at its board meeting on June 14 to provide banking facilities to people of all levels. At present, 61 banks are carrying out conventional banking activities in the country, along with several other companies that are providing mobile financial services. Digital banks will be regulated by the provisions of the Bank Companies Act, and accordingly, the board of such institutions cannot have more than three directors from one family. A person must also hold at least Tk 5 million worth of shares in the bank to become a sponsor. As per the guideline, investors willing to set up a digital bank will have to have a minimum paid-up capital of Tk 125 crore and the capital will have to come from sponsors.

In conclusion, digital banking in Bangladesh provides an opportunity for the unbanked population to gain access to formal financial services enhances transparency and reduces corruption. It also provides a platform for investors looking to establish new banks.

Cashless Bangladesh **or** **Cashless Society**

As the world becomes increasingly digital, many countries are transitioning to cashless economies. Bangladesh is one such country that is embracing this trend.

The concept of cashless Bangladesh revolves around the idea of conducting financial transactions without the need for physical currency. It is a shift towards digital payment methods, such as mobile wallets, online banking, and electronic funds transfers. Recently Bangladesh Bank introduced the policy for digital banks, which further supports the country's journey towards a cashless economy.

There are several reasons why Bangladesh is embracing the concept of a cashless economy. Firstly, it promotes financial inclusion by providing convenient access to banking services for all segments of the population. This is particularly beneficial for those living in rural areas who may not have easy access to traditional banks.

Secondly, a cashless economy promotes transparency and accountability. By reducing the reliance on cash, it becomes easier to track and monitor financial transactions, which helps in reducing corruption and money laundering.

Thirdly, adopting digital payment methods has the potential to boost economic growth by improving efficiency. Cashless transactions are faster and more convenient, leading to increased productivity and reduced transaction costs.

Overall, embracing a cashless economy in Bangladesh has numerous benefits, including financial inclusion, transparency, accountability, and economic growth.

There are various methods of cashless transactions that are being adopted in Bangladesh. One popular method is mobile wallets, which allow users to store funds digitally and make payments through their

smart phones. Examples of mobile wallet services in Bangladesh include bKash, Rocket, and Nagad. Another method is online banking, where individuals can access their bank accounts and make transactions through internet banking platforms. This enables users to transfer funds, pay bills, and make online purchases without the need for physical currency.

Popular method QR code payments have also gained traction in Bangladesh. QR code payments allow users to make payments by scanning a unique code displayed on a merchant's terminal using a Smartphone. This method is quick, secure, and convenient, making it increasingly popular among businesses and consumers alike. Cashless Bangladesh is a quick response or QR code-based universal payment system developed by Bangladesh Bank. It has started with an initial engagement of 1,200 merchants, including street vendors. Card-based transactions are widely used in the country. Debit and credit cards issued by various banks enable users to make cashless payments both online and at physical retail outlets.

While the shift towards a cashless economy in Bangladesh offers numerous benefits, it is important

to consider some of the potential disadvantages. One of the main challenges is the lack of access to technology and digital literacy among certain sections of society. Not everyone has a Smartphone or access to reliable internet connectivity, which limits their ability to participate in cashless transactions. Furthermore, security concerns regarding online transactions and potential frauds are valid concerns. Cyber security measures need to be continually strengthened to ensure that personal and financial information is protected.

Embracing a cashless economy in Bangladesh holds numerous benefits that extend far beyond convenience. One of the most significant advantages is financial inclusion, as cashless society allows individuals from all walks of life to access and participate in the formal financial system. This not only empowers people by giving them control over their finances but also opens up avenues for entrepreneurship and economic growth. By providing easy access to digital payment methods, more individuals can engage in business transactions, leading to increased economic activity.

Taka Rupee based debit card

In Bangladesh, the Taka Rupee debit card is a financial tool that allows individuals to access their bank account funds in the local currency. It functions just like a regular debit card, but it is specifically designed for use within the country. With this card, you can withdraw cash from ATMs, make purchases at local merchants, and even shop online with ease. It eliminates the need to carry large amounts of cash and provides a secure and reliable payment method for day-to-day transactions. Whether you're a resident or a visitor in Bangladesh, having a Taka Rupee debit card ensures that managing your financial needs is convenient and hassle-free.

Bangladesh enjoys the distinction of being one of the countries with the greatest number of tourists in India. Not only had that, in 2022, Bangladeshis received 15 lakh visas from the Indian High Commission in Bangladesh. Bangladesh will be able to save a ton of money thanks to the card because many people from Bangladesh visit India for medical care, tourism, and religious reasons. As per BB rules, visitors can spend a maximum of 12,000 dollars in case of travelling to India.

The Bangladesh Bank has decided to launch a taka-rupee based debit card in the country from September, aiming to save dollars. The decision to introduce a taka-rupee based debit card in Bangladesh is a strategic move by the Bangladesh Bank to promote the use of local currency and reduce reliance on the US dollar. This initiative aims to not only provide convenience to individuals but also contribute to the stability of the national economy.

By introducing this debit card, individuals will have the opportunity to transact in taka, reducing the need for foreign currency exchanges and potentially saving on transaction fees. This will encourage more people to embrace digital payments, which in turn will boost economic growth and financial inclusive. In addition to its convenience and versatility, the Taka Rupee debit card also offers enhanced security features. It comes equipped with chip technology, which provides an extra layer of protection against fraudulent activities. This means that your financial information is kept safe and secure, giving you peace of mind while making transactions.

Moreover, the taka-rupee based debit card will greatly benefit those who frequently travel to India.

With a large number of tourists from Bangladesh visiting India every year for various reasons, such as medical treatment, tourism, and religious purposes, this card will make their financial transactions much more convenient. Gone are the days of carrying large amounts of foreign currency or worrying about exchange rates. With just a swipe of the Taka Rupee debit card, they can easily make payments in local currencies without any hassle.

Foreign Direct Investment (FDI) in Bangladesh prospects and challenges

Foreign direct investment (FDI) refers to the investment made by an individual or a company from one country into another, with the intention of establishing a long-term business interest or acquiring a significant ownership stake in a foreign enterprise. FDI plays a crucial role in boosting economic growth, generating employment opportunities, and facilitating technological transfer. In the context of Bangladesh, FDI has the potential to significantly transform and strengthen its economy. However, like any other country, Bangladesh also

faces certain prospects and challenges in attracting foreign direct investment. ©Alif Career Guide

Global FDI already decreased in half portion due to the COVID-19 crisis worldwide. But the current situation of FDI in Bangladesh is promising, with the country experiencing a steady increase in foreign investment over the past decade. In recent years, Bangladesh has undertaken various economic reforms and policy changes to attract FDI and create a favorable business environment. As a result, several sectors have seen significant inflows of foreign capital, including manufacturing, textiles, telecommunications, and pharmaceuticals. According to data from the Bangladesh Investment Development Authority (BIDA), FDI inflows reached a record high of \$5.38 billion in the 2022-2023 fiscal years, marking a significant increase compared to previous years. A 2022 HSBC report titled The World in 2050, listed Bangladesh as one of the top 7 countries expected to deliver the fastest growth en route to 2050. ©Alif Career Guide

The prospects of FDI in Bangladesh are bright, given the country's robust economic growth, favorable investment climate, and abundant natural resources. Bangladesh has made significant progress

in areas such as infrastructure development, human capital, and ease of doing business, which are crucial factors in attracting foreign investors. Additionally, Bangladesh's strategic location as a gateway to South Asia and its proximity to major global markets such as India and China make it an attractive destination for foreign investors. Alif Career Guide

Furthermore, the government of Bangladesh has implemented various incentive packages and policy reforms to encourage foreign direct investment. These include tax incentives, duty-free access to export markets, simplified procedures for business registration, and the establishment of special economic zones with modern infrastructure and facilities. Bangladesh also benefits from its competitive labor market, with a large pool of young and skilled workers available at relatively low wages. Despite the promising prospects, there are several challenges that foreign direct investment faces in Bangladesh. One of the major challenges is inadequate infrastructure, especially in transportation and power sectors. While the government has taken steps to address these issues, there is still a need for further investment in infrastructure development

to facilitate smooth business operations. Another challenge is the bureaucratic red tape and corruption that can hinder the ease of doing business in Bangladesh. Furthermore, Bangladesh's legal framework and regulatory system have been criticized for.