

Urgent reforms needed to curb VAT leakage : Salehuddin

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Online Desk : Finance Adviser Dr Salehuddin Ahmed has underscored the urgent need to curb VAT leakage. At a seminar on Wednesday, he said, “Bangladesh’s economic progress depends fundamentally on its ability to mobilise domestic resources rather than relying excessively on foreign loans and grants.”

Adviser Dr Salehuddin said, “There is no doubt about the need for VAT. In many countries, VAT contributes far more to national income. In our country, however, VAT collection remains extremely low compared to GDP.” “A very unfortunate reality in Bangladesh is that VAT sometimes does not reach the government’s treasury.” Salehuddin urged customers to demand VAT invoices and expect businesses to remit VAT properly.

“People must be convinced that paying VAT ultimately benefits them-through improved public services,” he added. Dr Ahmed also expressed concern about the country’s chronically low tax-to-GDP ratio, saying Bangladesh cannot fulfill its development ambitions without strengthening domestic revenues. “For people to pay tax willingly, the government must ensure that taxpayers receive services and trust that their money is used properly.”