



CUSTOMS RULES AND REGULATIONS OF BHUTAN 2017

**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**



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ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHHO DZONG



FINANCE MINISTER

MoF/DRC/CRR-2017/856

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On May 4, 2017, the joint sitting of the 9th Session of the 2nd Parliament passed the Customs Act of Bhutan 2017. This Act came into force from the 27th Day of 4th month of the Fire Female Bird Year corresponding to 21st Day of 6th month (June) of 2017 upon receipt of Royal Assent vide Hon'ble Speakers letter no. NAB-P2(S9)2017/5158 dated July 11, 2017.

In exercise of the powers conferred by section 187 of the Act, the Ministry of Finance hereby promulgates the Customs Rules and Regulations of Bhutan 2017. Therefore, the Ministry endorses this Rules and Regulations to come into force from the 9th Day of 11th month of the Fire Female Bird Year corresponding to 27th Day of the 12th month (December) of 2017.

[LYONPO NAMGAY DORJI]
FINANCE MINISTER

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In exercise of the powers conferred by section 187 of the Customs Act of Bhutan 2017, the Ministry of Finance hereby promulgates the Customs Rules and Regulations of Bhutan 2017 as follows:

CHAPTER 1 PRELIMINARY

Title and Commencement

1. This Regulation:
 - (1) is called the Customs Rules and Regulations of Bhutan 2017; and
 - (2) comes into force from the 9th Day of 11th month of the Fire Female Bird Year corresponding to 27th Day of the 12th month of 2017.

Repeal

2. This Regulation hereby repeals Part II of the Rules on the Sales Tax, Customs and Excise Act of the Kingdom of Bhutan 2000 and amendments thereof.

CHAPTER 2
AUTHORITY, STRUCTURE, FUNCTIONS, DESIGNATION, UNIFORMS AND COMPLAINTS

Authority

3. The Department shall, in execution of the power conferred by the Act, regulate person importing, exporting, transiting, transshipping and warehousing goods by land, water and air.

Structure

4. The Department, in accordance with **Annex I**, comprise:
 - (1) Head Office, Department of Revenue and Customs, Ministry of Finance, Royal Government of Bhutan;
 - (2) Regional Revenue and Customs Offices (RRCO);
 - (3) Liaison and Transit Office stationed outside the territory of Bhutan; and
 - (4) other offices, Customs Stations and Customs Areas that the Department may, upon the approval of the Ministry, designate from time to time.

Functions

5. The Department shall be entrusted with the executive and administrative responsibility for assessing, collecting and accounting of national revenue and other administrative responsibility delegated by the Ministry from time to time.
6. The Department shall enforce the Customs Act of Bhutan 2017, this Regulation and other laws in force in the Kingdom of Bhutan pertaining to:
 - (1) control of movement of goods, person and conveyance across the national territorial borders;
 - (2) facilitating legitimate international trade;
 - (3) simplifying and harmonizing Customs procedures and processes;
 - (4) compiling and publishing Merchandise Trade Statistics;
 - (5) coordinating and partnering with other relevant government Departments and agencies;
 - (6) consulting and partnering with the business community and private sectors;
 - (7) ensuring security in cross-border trade in goods.
7. The Head Office shall determine the roles, responsibilities and organizational structure of the regional offices, Customs Stations, Customs Areas and the liaison and transit office.

8. The Head Office shall be responsible for approving changes to the organizational structure and human resources.
9. The Head Office shall have the following responsibilities:
 - (1) advise the Ministry on policy matters relating to Revenue, Taxation, Customs and Excise and to prepare policy documents and legislations;
 - (2) interpret and clarify existing Rules and Regulations;
 - (3) notify the public, well in advance, of the changes in legislation and procedures prior to its implementation;
 - (4) ensure uniform and fair implementation of all relevant Customs laws, including the Act and this Regulation and any other law which Customs is responsible for enforcing;
 - (5) supervise and monitor RRCOs activities pertaining to assessment and collection of national revenue and the control of goods crossing the borders of Bhutan for import, export and transit;
 - (6) issue exemption certificates;
 - (7) conduct audit and other vigilance work connected with national revenue;
 - (8) compile trade statistics;
 - (9) liaise with the World Customs Organization, regional Customs administrations and other relevant international agencies.
10. The Regional Revenue and Customs Office shall have the following responsibilities:
 - (1) advise the Head Office on policy matters relating to Revenue, Taxation, Customs and Excise;
 - (2) effect clearance of goods for import, export and transit;
 - (3) assess and collect Customs duty and to monitor national revenue within its jurisdiction;
 - (4) supervise and coordinate with subordinate offices and agencies in its region with regard to the collection of revenue and the control of cross-border movements, including:
 - (a) regulating flow of goods in and out of the country; and
 - (b) controlling and preventing trade in restricted and prohibited goods.
 - (5) conduct audit, post-clearance audit and other vigilance work connected with Customs matters;
 - (6) carry out duty refund;
 - (7) carry out any other responsibility that may be delegated by the Head Office.

Designation and Uniform of Officials

11. The Department comprise following level of officials:
 - (1) Collector, head of the Division in the head office;

- (2) Regional Director, head of the regional office;
- (3) Joint Collector;
- (4) Deputy Collector;
- (5) Assistant Collector;
- (6) Assistant Customs Officer; and
- (7) Inspectors.

12. The Department shall formulate the code of conduct for proper application of Ranks and Uniforms.

Complaint against Officials

13. If professional ethics of a Customs Official is compromised, a person shall make a complaint against such Customs official to the head of the Department.
14. If an issue raised by the complainant under section 13 of this Regulation is not valid or beyond the competence of the Department, the head of the Department shall have the right to reject such complaint.
15. A person shall submit a written complaint under section 13 of this Regulation to the Department.

CHAPTER 3

CUSTOMS STATION AND CUSTOMS AREA

Customs Station

16. Pursuant to section 14 of the Act, the Department shall, by an office order, designate :
 - (1) Land Customs, Check post, Airports, Dry Ports; or
 - (2) any other place as a Customs Station.
17. The Department shall, on a regular basis, update and inform the general public and traders on the details of the Customs Stations along with jurisdictions and the competences.

Designating a new or replacement of an existing Customs Station

18. If required or so directed by the Ministry, the Department may designate a new or replace an existing Customs Station.
19. A person may request the Department to designate a new or replace an existing Customs Station and such request shall be made in writing and must contain all relevant details and documents required by the Department.
20. In order to designate a new or replace an existing Customs Station, the Department may conduct feasibility study considering the following requirements:
 - (1) actual and projected trade or traffic volume;
 - (2) revenue collection;
 - (3) infrastructure and geographical conditions;
 - (4) collaboration and consultation with neighboring country;
 - (5) cost implication;
 - (6) security and economic reasons;
 - (7) possibility of other border enforcement agencies to carry out Customs functions on behalf of the Department;
 - (8) such other requirements made in consultation with the relevant government agencies, private sectors and stakeholders.
21. The Department shall, on timely basis, inspect the Customs Stations and associated areas and assess suitability regarding space, equipment and control arrangements.

Customs Area

22. The Department shall determine the boundary of the Customs Area in a Customs Station.
23. The Department may, upon request from a person, approve a Customs Area outside a Customs Station.

24. The Department shall, as it may consider necessary, approve expansion and designation of Customs Area associated with a Customs Station through proper consultation with the relevant government agencies, private sectors and stakeholders.

Office Hours

25. The Department may, in consultation with the regional offices and relevant government agencies, private sectors and stakeholders, change or harmonize regular office hours.
26. Opening office hours may be aligned with the opening hours of the border agencies.
27. The Department may considering the needs of the private sector, coordinate the regular office hours of the Customs Stations in line with the regular office hours of Customs Station of a neighboring country.
28. Notwithstanding section 25, 26 and 27 of this Regulation, Customs official is eligible for over time fees in accordance with sections 668 and 669 of this Regulation.

Places for loading, unloading and temporary storage

Scope

29. A place for loading, unloading and temporary storage shall be permitted to be established and operated at the designated Customs Station or Area located near the point of entry and exit of the goods.

Application

30. An applicant under section 29 of this Regulation shall submit to the concerned regional office an application for the approval of places for loading, unloading or temporary storage of goods under Customs control in accordance with **Annex II**.
31. If a person intends to make changes to the approved loading, unloading or temporary storage place, the person shall, in writing, seek approval for such changes from the concerned regional office in accordance with **Annex II**.
32. Where an application is found to be incomplete, the regional office shall notify the applicant within 15 working days from the receipt of the application, and request the applicant to make necessary changes and provide additional documents, if required.
33. The criteria for the designation of a place for loading, unloading and temporary storage may include:
 - (1) places under Customs control must be clearly marked as Customs control area;
 - (2) the unloading and temporary storage place is:

- (a) secured with a single entry and exit gate to ensure proper access control and monitoring;
 - (b) suitable for storing dutiable and taxable goods;
 - (c) appropriate measures are put in place to prevent theft, loss or deterioration of the goods; and
 - (d) based on need and appropriateness, equip with separate and suitable storing facility for hazardous and perishable goods;
- (3) sufficient volume of trade in terms of quantity and value as determined by the Department;
- (4) good compliance record includes:
- (a) no history of late duty and tax payment;
 - (b) demonstrated knowledge of all relevant Customs regulations and formalities;
 - (c) no record of customs offence;
 - (d) a system of internal controls capable of detecting illegal or irregular transactions is maintained.
- (5) proper maintenance of accounts and records;
- (6) financial solvency;
- (7) an applicant shall furnish security deposit in accordance with sections 279 to 281 of this Regulation.
34. A person shall notify the concerned regional office within 30 working days from the date of transfer of ownership, change in location or winding up of a business along with a tax clearance certificate.
35. If transfer of ownership or winding up of a business is found contrary to section 34 of this Regulation, the current owner is liable for any outstanding duty.
36. The concerned regional office shall, prior to a verification audit, reject an application, where:
- (1) an applicant has been convicted of a serious criminal offence linked to any economic activity, conduct of business or is subject to bankruptcy proceedings at the time of the submission of the application;
 - (2) an applicant's agent or legal representative in Customs matters is convicted of a serious criminal offence related to an infringement of this Regulation;
 - (3) a deficiency in the application notified under section 32 of this regulation is not remedied; or
 - (4) an application is submitted within one year after revocation of the authorization as provided for in section 46 of this Regulation.

Examination

37. The regional office shall, prior to granting approval, review an application under section 30 of this Regulation and conduct an onsite assessment and verification audit of the suitability and conditions of the place.
38. If regional office is satisfied that all applicable criteria are fulfilled, it shall approve an application following an onsite assessment and a written approval shall be made in accordance with **Annex III**.
39. An approval is valid until suspended or revoked by the regional office.
40. Conditions for places of loading, unloading and temporary storage is subject to periodic audit and review.

Suspension and Revocation

41. The Department may suspend an approval given under section 38 of this Regulation in the following cases, where:
 - (1) there is reasonable ground to suspect that an importation by or in the name of an authorized trader is liable to result in a criminal offence and/or is linked to a serious infringement of provisions of the Act and this Regulation;
 - (2) non-compliance with one or more of the authorization criteria as specified in section 33 of this Regulation is detected and no remedial steps have been taken within 30 working days thereof.
42. An applicant shall be given notice of the proposed action to suspend an approval and such suspension order is deemed valid in case of failure to respond.
43. If the Department is satisfied with the justification and documentary evidence provided by the person, the suspension order shall be withdrawn.
44. The Department may revoke an approval in the following circumstances, where:
 - (1) it is already suspended and the person fails to take remedial measure;
 - (2) the person has committed serious infringement of Customs law and has no further right to appeal.
45. The Department shall, prior to any decision to revoke an approval, inform an applicant and give an adequate opportunity to justify against such decision.
46. Where an approval is revoked under this Regulation, a person shall not be entitled to reapply for a period of one year from the date of such revocation.

Operation under temporary storage facility

47. A person may request that goods presented to Customs be transferred to a temporary storage facility until they are declared to Customs and cleared from one of the Customs procedures listed under section 58 of the Act.
48. The Customs shall maintain a register of all goods under temporary storage for control and reconciliation purposes.
49. A person shall store goods in temporary storage only in places approved by the head of regional office in accordance with sections 15 to 17 of the Act and under the conditions stipulated below:
 - (1) keep appropriate records in a form approved by the Customs authorities and such records must contain information and particulars which enable Customs authorities to supervise the operation of a temporary storage facility, in particular with regard to the identification of goods stored, their Customs status and movements;
 - (2) provide office accommodation, with all requisite furniture, heating and lighting to the satisfaction of Customs, together with goods examination facilities free of expense to the Department;
 - (3) not remove goods from temporary storage without prior approval of Customs;
 - (4) provide adequate staff and equipment, as necessary, for safe and expeditious unloading and loading.
50. A temporary storage facility may store goods from one or more persons.
51. A temporary storage operator shall, at the time of entry, record goods in the register maintained at the temporary storage facility based on the cargo manifest, Air way bill, Bill of lading and Consignment note submitted to Customs in accordance with sections 215 to 220 of this Regulation.
52. Entry, removal of goods, packing or re-packing, inspections, taking samples, changing container, or any other act must be done only with the permission and under supervision of the Customs.
53. Goods in temporary storage are subject only to such forms of handling as are designed to ensure their preservation in an unaltered state without modifying their appearance or technical characteristics.
54. The Customs shall have access to the entire temporary storage facility and be empowered to examine the goods therein, as and when necessary.

55. Goods must be stored in locked premises with double lock, while bulky or heavy goods and low-duty goods that constitute little revenue risk will be allowed to be stored in unenclosed spaces under Customs supervision.
56. A person shall, within 7 working days of entry of the goods in the temporary storage, initiate declaration to Customs and complete the Customs procedures.
57. Where temporary storage facility is operated by the Department, a person shall be liable for fees and charges for goods which are not cleared under section 56 of this Regulation, in accordance with **Annex IV**, up to a maximum of 65 working days.
58. Where goods are not cleared within the extended time specified in section 57 of this Regulation, the goods may be confiscated upon notifying the person and dispose of in accordance with sections 173 to 176 of the Act.
59. A person shall promptly remove goods from the temporary storage facility, once it has been cleared by Customs.
60. The concerned authorities or person operating cargo warehouses at international airports shall comply with the conditions for temporary storage facilities under this Regulation.
61. A person shall store goods intended for export separately from imported goods.

CHAPTER 4 CLASSIFICATION

Classification of the goods

62. The classification of goods for import or export is done in accordance with the Bhutan Trade Classification (BTC) Customs Tariff and Sales Tax Schedule.
63. The section, chapter, heading, subheading, notes and General Interpretative Rules (GIR), contained in the BTC forms the legal basis for the classification of imported or export goods.

Provided that chapter 77 of the BTC is reserved for possible future use and chapter 98 and 99 for national use to create codes for special transaction.

64. The Department shall upload the BTC on its website, as and when updated.
65. Customs shall, to classify goods as stipulated in section 62 of this Regulation, follow the Rules and Guidelines established under the following documents:
 - (1) Harmonized Commodity Description and Coding System's (HS) Explanatory Notes published by the World Customs Organization;
 - (2) notification issued by the Department.

National codes

66. Upon the approval of the Ministry, the Department shall create, merge, split or delete national BTC code without affecting the Customs tariff, sales tax and green tax schedule.
67. Any Ministry or government agency responsible for trade policy may consult or submit to the Department proposals to create, merge, split or delete national codes beyond the six digits of the HS.
68. The Department may create notes for the national codes in the BTC to facilitate classification.

CHAPTER 5 VALUATION

Definition

69. In this chapter, unless the context otherwise requires:

“Assists” means the following goods and services which has been supplied directly or indirectly by the buyer free of charge or at reduced cost used in connection with the production or sale for export of the imported goods:

- (1) materials, component, parts and similar items incorporated in the imported goods;
- (2) tools, dyes, moulds and similar items used in the production of the imported goods;
- (3) material consumed in the production of the imported goods;
- (4) engineering, development work, artwork, design work, plan and sketch undertaken elsewhere than in Bhutan and necessary for the production of the imported goods.

“Buying commission” is the amount paid to a buyer’s agent who acts on behalf of the buyer to find a seller, collecting samples, inspecting goods, and arranging the transport, insurance, storage and delivery of the imported goods to the buyer.

“Customs Value of imported goods” means the value of goods for the purposes of levying ad-valorem Customs duty.

“Customs Valuation” means the Customs procedure applied to determine the Customs value of imported and export goods.

“Deductive value” means the value determined in accordance with section 86 of this Regulation.

“Free On Board (FOB)” means the price paid for the goods plus the cost of transportation, loading, unloading, handling, insurance, and associated costs incidental to delivery of the goods at the port or place of export in the country of export to the country of Import.

“Goods of the same class or kind” means goods which fall within a group or range of goods produced by a particular industry or industry sector, and includes identical or similar goods.

“Identical goods” means imported goods:

- (1) which are same in all respects, including physical characteristic, quality, and reputation, as goods being valued except for minor differences in appearance that do not affect the value of goods;
- (2) produced in the country in which goods being valued were produced; and

- (3) produced by the same person who produced the goods, or where no such goods are available, goods produced by the different person, but does not include imported goods where engineering, development work, artwork, design work, plan and sketch undertaken in Bhutan has been supplied directly or indirectly by the buyer on those imported goods free of charge or at a reduced cost for use in connection with the production and sale for export of those imported goods.

“Price actually paid or payable” means the total payment made or to be made by the buyer to or for the benefit of the seller for the imported goods, and includes all payments made as a condition of sale of the imported goods by the buyer to the seller, or by the buyer to a third party to satisfy an obligation of the seller.

“Produced” includes grown, manufactured, or mined.

“Similar goods” means imported goods:

- (1) which, although are not alike in all respects but having like characteristics and like component materials which enables to perform the same functions and to be commercially interchangeable with the goods being valued having due regard to the quality and reputation;
- (2) produced in the country in which the goods being valued were produced; and
- (3) produced by the same person who produced the goods being valued, or where no such goods are available, goods produced by the different person, but does not include imported goods where engineering, development work, artwork, design work, plan and sketch undertaken in Bhutan has been supplied directly or indirectly by the buyer on those imported goods free of charge or at a reduced cost for use in connection with the production and sale for export of those imported goods.

“Transaction value” means the value determined in accordance with section 71.

Determining the valuation method on imported goods

70. The Department shall apply the following five methods to determine the Customs value for duty, in the prescribed hierarchical order except for sub section (4) and (5):
 - (1) Transaction Value Method;
 - (2) Transaction Value of Identical Goods Method;
 - (3) Transaction Value of Similar Goods Method;
 - (4) Deductive Value Method;
 - (5) Valuation by Minimum Price List Method.

Transaction Value of Imported Goods

71. For the purpose of section 23 of the Act, the primary basis for determining Customs value of imported goods is the Transaction Value i.e., price actually paid or payable for the

goods when sold for export to Bhutan with necessary adjustment in accordance with provisions of section 72 (5) of this Regulation.

72. The Department shall accept the value of imported goods under section 71 of this Regulation only when the following conditions are fulfilled:

- (1) there must be evidence of a sale for export to Bhutan, i.e., commercial invoices, contracts, purchase order, letter of credit, etc.;
- (2) there must be no restrictions on the disposition or use of goods by the buyer, other than restrictions which:
 - (a) are imposed or required by law or by the public authorities in Bhutan, e.g., license, end-use, etc.,;
 - (b) are limited to the geographical area in which the goods may be resold; or
 - (c) do not substantially affect the value of the goods.
- (3) sale or price of goods is not be subject to any conditions or considerations for which a value cannot be determined with respect to the goods being valued, e.g.,:
 - (a) seller establishes the price of the imported goods on the condition that the buyer will also buy other goods in specified quantities;
 - (b) price of the imported goods is dependent upon the price or prices at which the buyer sells other goods to the seller;
 - (c) price is established on the basis of a form of payment extraneous to the imported goods.
- (4) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless adjustment can be made in accordance with subsection 5 of this Regulation;
- (5) sufficient information is made available to be added to the price actually paid or payable for the imported goods:
 - (a) commissions and brokerage, except buying commissions;
 - (b) packing and container costs and charges;
 - (c) assists;
 - (d) royalties and license fees related to the imported goods that the buyer is required to pay directly or indirectly as a condition of the sale of the goods being valued to the extent that such charges are not included in the price paid or payable;
 - (e) subsequent proceeds;
 - (f) cost of transport, insurance and related charges up to entry point in Bhutan are available and where the importer does not provide sufficient documentary proof for transport and insurance such cost is ascertained in the following manner:
 - (i) transportation cost at 20% of the FOB value of the goods from the delivery place of country of export to entry point in Bhutan;
 - (ii) insurance cost at 1.125% of the FOB value of the goods from the delivery place of country of export to entry point in Bhutan;
 - (iii) insurance cost from transit country to entry point in Bhutan at 0.778% of CIF value of the goods at transit country.

- (6) the buyer and the seller are not related, but even if so related, the application of the transaction value is permitted, if the importer demonstrates that:
 - (a) the relationship did not influence the price actually paid or payable;
 - (b) the transaction value closely approximates to one of the following occurring at or about the same time:
 - (i) the transaction value in sales to unrelated buyers of identical or similar goods for export to Bhutan;
 - (ii) the Customs value of identical or similar goods as determined in accordance with section 86 of this Regulation.
73. For the purpose of section 72 (6) of this Regulation, persons are deemed to be related only if:
- (1) they are officer or directors of one another's business;
 - (2) they are legally recognized partners in business;
 - (3) they are employer and employee;
 - (4) a person directly or indirectly owns, controls or holds 5 percent or more of the outstanding voting stock or shares of both of them;
 - (5) one of them directly or indirectly controls the other;
 - (6) both of them are directly or indirectly controlled by the third person;
 - (7) together they directly or indirectly control a third person;
 - (8) they are members of the same family and a person is deemed to be a member of same family if:
 - (a) connected by consanguinity within the third degree or by marriage within the second degree; and
 - (b) one has been adopted as the child of other.
74. In case of goods imported by post, all the postal charges levied till the point of entry into Bhutan must be included.
75. Customs value does not include the following charges, if they are distinguished from the price actually paid or payable for the goods:
- (1) charges for construction, erection, assembly, maintenance or technical assistance undertaken after importation;
 - (2) the cost of transport after the point of entry in Bhutan;
 - (3) duty and taxes of the country of importation;
 - (4) fees that are not related to imported goods;
 - (5) loading and handling charges in the transit country including demurrage;
 - (6) interest charged under the financing arrangement entered into by the buyer, relating to the purchase of imported goods, provided that the financial arrangement is made in writing;

- (7) cash and the quantity discount offered by the seller provided that the seller is the manufacturer or authorized dealer of the goods.

Transaction Value of Identical Goods

76. Where the Customs value of imported goods cannot be ascertained under section 71 of this Regulation, the Customs value is assessed on the transaction value of identical goods sold for export to Bhutan and exported at or about the same time i.e., within 90 days as the goods being valued.
77. For the purpose of section 76 of this Regulation, the Department shall, wherever possible, use a sale of identical goods at the same commercial level and in substantially the same quantities as the goods being valued and where no such sale is found, a sale of identical goods that take place under any one of the three condition may be used:
- (1) a sale at the same commercial level but in different quantities;
 - (2) a sale at a different commercial level but in substantially the same quantities; or
 - (3) a sale at a different commercial level and in different quantities.
78. For the purposes of determining the Customs value of imported goods under section 76 of this Regulation, the transaction value of identical goods is adjusted by adding thereto or deducting there from, as the case may be, to take account of:
- (1) trade level differences;
 - (2) quantity differences;
 - (3) commercially significant differences for transportation costs due to variances in the mode and/or distance of transport.
79. Adjustment under section 78 of this Regulation may be considered, provided there is a basis of demonstrated evidences that clearly establishes reasonableness and accuracy of the adjustment that lead to an increase or decrease in the value between the imported goods and identical goods in question.
80. If more than one transaction value of identical goods is found under this method, then the lowest of such value is used to determine the Customs value of the imported goods.

Transaction Value of Similar Goods

81. Where the Customs value of imported goods cannot be ascertained under sections 71 and 76 of this Regulation, the Customs value is assessed on the transaction value of similar goods sold for export to Bhutan and exported at or about the same time as the goods being valued.

82. For the purpose of section 81 of this Regulation, the Department shall, wherever possible, use a sale of similar goods at the same commercial level and in substantially the same quantities as the goods being valued and where no such sale is found, a sale of similar goods that take place under any one of the three condition may be used:
- (1) a sale at the same commercial level but in different quantities;
 - (2) a sale at a different commercial level but in substantially the same quantities; or
 - (3) a sale at a different commercial level and in different quantities.
83. For the purposes of determining the Customs value of imported goods under section 81 of this Regulation, the transaction value of similar goods is adjusted by adding thereto or deducting there from, as the case may be, to take account of:
- (1) trade level differences;
 - (2) quantity differences;
 - (3) commercially significant differences for transportation costs due to variances in the mode and/or distance of transport.
84. Adjustment under section 83 of this Regulation may be considered provided there is a basis of demonstrated evidences that clearly establishes reasonableness and accuracy of the adjustment that lead to an increase or decrease in the value between the imported goods and similar goods in question.
85. If more than one transaction value of similar goods is found under this method, then the lowest of such value is used to determine the Customs value of the imported goods.

Deductive Value Method of Identical and Similar Goods

86. Where the Customs value of imported goods cannot be ascertained under sections 71, 76 and 81 of this Regulation, the Customs value is determined on the basis of unit price at which imported goods or identical or similar goods are sold to the unrelated buyer in the greatest aggregate quantity in Bhutan.
87. For the purpose of section 86 of this Regulation, the sales in Bhutan must fulfill the following conditions:
- (1) goods have been resold in Bhutan in the same condition as it was imported;
 - (2) sale of goods being valued or of identical or similar goods have taken place at the same or substantially the same time of importation of goods being valued;
 - (3) if no sale took place at or about the time of importation, it is permitted to use sales up to 90 working days after importation of the goods being valued;

- (4) if there is no sale of identical or similar imported goods in the condition it was imported that meet the above requirements, the importer may choose to use sale of goods being valued after further processing;
 - (5) purchaser in Bhutan must not have supplied assists, either directly or indirectly;
 - (6) purchaser in Bhutan must not be related to the importer from whom goods are bought at the first commercial level after importation.
88. A greatest aggregate quantity is the price at which the greatest number of units sold to an unrelated person at the first commercial level of importation at which such sales takes place and the Commercial invoices issued to a buyer will serve as the primary basis for establishing the price per unit.
89. A deductive value is determined by deducting following specific prices from the established price of the greatest aggregate quantity:
- (1) commission usually paid or agreed to be paid;
 - (2) sum of profits and general expenses added in connection with sales or in the absence of such information 20% shall be applied;
 - (3) usual transport cost and corresponding insurance incurred in Bhutan or in the absence of such information 21.125% shall be applied;
 - (4) customs duty paid as per the Bhutan Trade Classification, Customs Tariff and Sales Tax Schedule in Bhutan;
 - (5) value added by assembly or further processing, when applicable.
90. The Department shall maintain a record of the Customs value determined under section 86 of this Regulation and update the same in a timely manner.

Valuation by Minimum Price List Method

91. Where the Customs value cannot be ascertained under sections 71, 76, 81 and 86 of this Regulation, the Department shall determine the Customs value based on formally established minimum values on a limited and transitional basis under situations where terms and conditions, as may be agreed to, by the Department and regional Valuation Committees.

Determination of Customs Value of goods to be exported

92. Customs value of export goods is the transaction value presented at the exit point of Bhutan.
93. Notwithstanding section 92 of this Regulation, the Department may, if it considers necessary, determine Customs value using sections 76 and 81 of this Regulation.

Conversion of foreign currency

94. Where value of goods for Customs purpose is in a currency other than Ngultrum, the rate of exchange is the selling rate of exchange quoted by the central bank of Bhutan and is applicable even where payment for goods is made prior to importation of the goods at a different rate of exchange.

Application dates for exchange rate

95. A rate of exchange on the import or export goods is the rate in force on the day the Customs declaration is accepted by the Department.
96. A rate of exchange on goods imported through baggage is the rate in force on the date of assessment of Customs duty.
97. In case of goods released on the basis of self-assessment, a rate of exchange is the rate in force on the day the self-assessed declaration was accepted by the Department.
98. In case of goods released on the basis of provisional assessment, a rate of exchange is the rate in force on the day the provisionally assessed declaration was accepted by the Department.
99. In case of the warehoused goods, a rate of exchange is the rate in force on the day the declaration for home use is accepted by the Department.
100. Notwithstanding sections 95 to 99 of this Regulation, a rate of exchange for advance declaration is the rate in force on the day the goods enter Customs Station in Bhutan.

Rejection of Declared Value

101. The Department shall have the right to satisfy itself, as to the veracity or accuracy of any statement, document or declaration presented for Customs valuation purposes.
102. Where the Department has reason to doubt the veracity or accuracy of a declared value, it may ask the importer to provide further explanation that the declared value represents the total amount actually paid or payable for the imported goods.
103. Where reasonable doubt exists after review of the further explanation or in the absence of a response under section 102 of this Regulation, the Department may decide that the value cannot be determined according to the transaction value method.
104. For the purpose of section 103 of this Regulation, the Department shall communicate its decision with reasoning to the importer, who, in turn, shall be given reasonable time to respond.

105. The Department shall, in writing, communicate to the importer the final decision under section 104 of this Regulation along with its reasoning.

Valuation Committee

106. The Department shall establish Departmental Valuation Committee in the Head Office and Regional Valuation Committee in the regional offices to address and recommend valuation matters.

107. The Departmental Valuation Committee comprise the Head of Customs as the Chairperson supported by minimum of three Customs officials appointed by the Department.

108. The Regional Valuation Committee comprise the Head of Region as the Chairperson supported by minimum of three Customs officials identified by the Head of Customs and approved by the Head of Region.

109. The Department shall prescribe the rules of procedure and terms of reference for the valuation committee.

CHAPTER 6

IMPORT AND EXPORT RESTRICTIONS AND PROHIBITIONS

Import and export restrictions or prohibitions

110. The Department shall enforce restriction or prohibition on the import or export of goods under section 27 of the Act.
111. The concerned agencies shall consult and inform the Department of any restriction or prohibition of goods along with the date of enforcement.
112. The concerned agencies shall, to the extent possible, co-ordinate with the Department in defining the restricted or prohibited goods in accordance with the Bhutan Trade Classification.
113. An import or export of restricted goods must be accompanied by a permit issued by the relevant agency and such permit shall be submitted to the Department.
114. Categories of restricted and prohibited goods are as provided in **Annex V**.
115. A relevant agency shall, publish and notify, any restriction or prohibition on goods imposed in addition to those contained in **Annex V**.
116. Any violation of restrictions or prohibitions imposed on import or export of goods is dealt in accordance with the relevant legislations.

Cooperation between Responsible Agency and the Department

117. Pursuant to section 180 of the Act, all responsible agencies shall assist the Department in enforcing restriction or prohibition on import and export of goods under the Act.
118. For the purpose of section 117 of this Regulation, the assistance amongst others include:
 - (1) publishing and keeping up-to-date, list of restricted or prohibited commodities in accordance with Bhutan Trade Classification codes and the Department shall assist the responsible agencies in classifying the relevant commodities as per Bhutan Trade Classification;
 - (2) providing guidance with regard to handling and storage of restricted and prohibited goods;
 - (3) accept confiscated goods in line with section 173 of the Act;
 - (4) sale proceeds for disposal of the confiscated goods shall be dealt in accordance with section 665 of this Regulation.

CHAPTER 7

LEVY

Levy

119. For the purpose of section 28 of the Act, goods imported shall be subject to levy of Customs duty as per the Customs tariff schedule of the Bhutan Trade Classification, unless otherwise specified in any other laws in force.
120. Imported goods may be subject to levy of taxes including fees and charges as provided by other laws in force.
121. Customs duty including fees and charges is payable at the time of clearance of goods, unless the Department approves a different Customs procedure.
122. An assessable value for Customs duty on imported goods shall be in accordance with chapter 5 of this Regulation.
123. Goods imported from India with origin from other countries are subject to Customs duty as per the Customs tariff schedule of the Bhutan Trade Classification.

Liability

124. Importer, exporter or authorized clearing and forwarding agents or warehouse operator or custodian of goods or carrier or person, as the case may be, is liable for Customs duty including fees and charges.
125. The Department may accept payment of Customs duty, fees and charges in the form of cash or certified cheque and if payment is made in cheque drawn on a foreign bank, such bank must have an established office in Bhutan.
126. Where e-payment facilities are available, the Department shall, where possible, accept electronic payment.
127. The Department or agent authorized to collect Customs duty, fees and charges shall issue a receipt constituting proof of payment.

Duty on lost or pilfered goods

128. The Department shall not levy Customs duty on goods lost or pilfered under section 31 of the Act, provided that the:
 - (1) pilferage took place before the Department made an order for clearance for home use or for deposit into warehouse;

- (2) person proves to the satisfaction of the Department that the imported goods is lost or pilfered;
- (3) pilfered goods is not restored back to the importer;
- (4) lost goods are rendered unusable and beyond repair or recovery;
- (5) lost goods ceased to be of any commercial value for which they were originally intended.

Duty on damaged and deteriorated goods

129. If goods declared to Customs is damaged or deteriorated by accident or force majeure, the Department shall, subject to section 33 of the Act, levy Customs duty in the condition in which they are presented after such accident or force majeure.
130. For the purpose of this Regulation, the valuation of damaged or deteriorated goods may consider following options:
- (1) the Department may ascertain the value based on the importer's declaration and in consultation with the Insurance Company;
 - (2) where the imported good is not insured and the Department is not able to ascertain the value based on the importer's declaration, other relevant agencies or assessor may be consulted;
 - (3) if the Department is not able to ascertain the value based on subsection (1) and (2) of this Regulation then with the consent of the owner, the goods may be auctioned, tendered or disposed off in any other manner and the gross sale proceeds is considered to be the value of such goods.
131. If damaged or deteriorated goods are beyond repair, recovery or rendered commercially valueless, the Department shall not levy Customs duty and the person shall be liable to bear the cost involved in disposal of such goods.

Duty on replacement of goods

132. The Department shall not levy Customs duty on replaced goods subject to fulfillment of conditions stipulated under sections 309 to 313 of this Regulation.
133. Notwithstanding section 132 of this Regulation, if a person fails to provide documentary evidence from the principal supplier on return of the goods, such replaced good is subject to Customs duty.

Duty on re-imported goods

134. The Department shall levy Customs duty on any value addition made to the re-imported goods in accordance with the provision stipulated under sections 299 to 304 of this Regulation.

Duty on temporary admission of goods and conveyance

135. The Department shall not levy Customs duty on temporary admission of goods and conveyance under sections 36 and 37 of the Act, respectively.

Duty on importation of goods as samples

136. The Department shall not levy Customs duty on samples subject to fulfillment of following conditions, if the goods imported is:

- (1) not for sale;
- (2) new in the domestic market; and
- (3) to be re-exported.

137. An importer shall, for the purpose of section 136 of this Regulation, declare that the goods are meant for securing export order or purchase order and shall undertake that the goods are not to be sold and if sold, is liable to pay the applicable Customs duty.

138. The Department shall not permit as sample those goods prohibited under any laws in force.

Duty on abandoned goods

139. The Department shall not levy Customs duty on goods abandoned under section 39 of the Act.

140. The Department shall consider goods as abandoned, if the person:

- (1) writes to the Department, the intention to abandon the imported goods;
- (2) fails to lodge the goods declaration within 40 working days from the date of arrival of the consignment.

141. The Department shall not accept request for goods to be abandoned under section 140(1) of this Regulation, if the goods are:

- (1) subject to restrictions, unless otherwise permit issued by the relevant authority is submitted;
- (2) damaged or deteriorated to such an extent that they have cease to be of any value.

142. The Department shall confiscate and dispose the abandoned goods in accordance with chapter 26 of this Regulation.

143. Where goods in question are already the subject of a declaration accepted by the Department, a person shall, for the purpose of abandonment, make reference to such declaration and invalidate the same.

Duty on sale or transfer of duty exempt goods

144. Duty on sale or transfer of duty exempt goods shall be in accordance with sections 41 and 42 of the Act.

Penal interest on late payment of duty, fees and charges

145. Penal interest on late payment of duty, fees and charges is applicable in accordance with sections 43 and 44 of the Act.

CHAPTER 8 EXEMPTION

International agencies, diplomatic missions and their employees

146. In accordance with section 46 of the Act, diplomatic missions and international agencies and their international employees shall be exempt from payment of Customs duty for:
- (1) import and supplies made necessary to function and operate;
 - (2) import of personal and household effect and consumable items intended for establishment as contained in **Annex VI**;
 - (3) import of one motor vehicle within 12 months of arrival of the international employee;
 - (4) import of used motor vehicle is allowed within 12 months of their arrival under temporary admission as per the permit issued by the relevant authority.
147. In addition to the exemption provided under section 146 of this Regulation, international agencies, diplomatic mission, and their International employees is entitled to purchase from local duty free stores in accordance with the rules in force.
148. Import of personal and household effects made subsequently after 12 months of arrival is subject to levy of Customs duty.

Members of international voluntary organizations assigned to Bhutan

149. The provisions under sections 146 to 148 of this Regulation applies *mutatis mutandis* to the members of International Voluntary Organization assigned to Bhutan.

Procedure to apply for exemption of Customs duty

150. International agencies, diplomatic missions, international voluntary organizations assigned to Bhutan and their International employees and members, who are eligible for Customs duty exemption under this Regulation shall apply to the Ministry of Foreign Affairs, Royal Government of Bhutan in accordance with **Annex VII**.
151. The Ministry of Foreign Affairs shall receive an application and recommend the exemption to be granted in accordance with the Act and chapter 8 of this Regulation.
152. For the purpose of section 151 of this Regulation, the recommendation shall be in accordance with the list of personal and household effects and consumable items permitted to be imported free of Customs duty as baggage or cargo, during tenure of such employee.
153. The Department shall, in accordance with this Regulation and the recommendation submitted by Ministry of Foreign Affairs, issue exemption certificate.

154. The exemption holder shall produce the duty exemption certificate at the time of clearance of the goods.
155. The Ministry of Foreign Affairs shall, provide in advance, to the Department specimen signature of its authorized official empowered to recommend the entitled privileges.

Disposal of goods other than motor vehicles imported free of Customs duty

156. Foreign employees of diplomatic missions, international voluntary organizations assigned to Bhutan and international agencies, may, on their repatriation from Bhutan, re-export durable and consumable household and personal effects or such goods may be disposed off in Bhutan with the prior approval of the Department in the following manner:
- (1) durable goods may be sold free of Customs duty to a Diplomatic Mission, any other exempt organizations or individuals entitled to such exemption provided that such exempt organization or individual has not already imported free of duty;
 - (2) used consumable item with a value less than Ngultrum 15,000 each at the time of importation may be disposed off directly in open market free of Customs duty;
 - (3) an item which exceeds value of Ngultrum 15,000 at the time of importation, if disposed off to a non-exempt person within five years after importation is liable to Customs duty.
157. For the purpose of section 156 of this Regulation, the Customs value is the value at the time of importation depreciated at the rate of 20% per year or fraction thereof on straight line method from the date of registration.

Disposal of Customs duty exempted motor vehicles

158. Disposal or re-export of Customs duty exempt motor vehicles of officials of diplomatic missions, international agencies and international voluntary organizations on completion of their tenure or assignment in Bhutan is governed by the following procedure:
- (1) customs duty exempt vehicle may be sold to another privileged person serving in Bhutan, with clearance from the Department, provided that the buyer has not already imported or placed order for importation of a vehicle;
 - (2) customs duty exempt vehicle may be sold to a Bhutanese official holding a vehicle allotment quota;
 - (3) vehicle may be sold in the open market subject to the following conditions:
 - (a) payment of Customs duty to be levied on depreciated value at the rate of 20% per annum;
 - (b) for the purpose of allowing depreciation, the value of the vehicle is the invoice value and if a person is not able to present the invoice value, the Department shall

consider the prevailing CIF value for similar vehicles less Customs duty charged by the dealer in the country at the time of effecting the sale;

- (c) the period for the purpose of depreciation is computed from the date of registration of vehicles in Bhutan;
- (d) transfer of ownership of vehicle shall be affected only on payment of Customs duty, fees and charges to the Department;
- (e) no registration of new vehicles or transfer of ownership of any vehicles shall be affected by the concerned authority without the clearance from the Department;
- (f) a buyer shall be liable to pay the Customs duty, fees and charges;
- (g) no Customs duty is levied, if a vehicle is sold after a period of 5 years from the date of its registration.

159. Used motor vehicles brought on their posting to Bhutan under section 146(4) of this Regulation, shall not be permitted to be sold or transferred to any Bhutanese or privileged persons by sale or gift and must be re-exported on repatriation and such motor vehicles, if left behind in Bhutan shall be confiscated.

160. Subject to section 159 of this Regulation, transfer of ownership of motor vehicles disposed off in Bhutan whether by sale or gift must be completed prior to the departure of the owner.

Administrative responsibility

161. All privileges and facilities under this Regulation must be extended through the concerned employing agency, and such agency shall be responsible for ensuring full compliance with this Regulation.

162. A concerned employing agency shall ensure that their officials upon transfer obtain a letter of recommendation from the Ministry of Foreign Affairs and also inform the Department of the arrival and departure of their officials.

163. An import of any restricted goods is governed by chapter 6 of this Regulation.

Government and autonomous agencies

164. Government and autonomous agencies shall be exempt from payment of Customs duty provided the exemptions thereof are in accordance with the privileges or relief granted by any other laws in force.

Social, Environmental and Economic Policies

165. The Ministry may exempt a person from payment of Customs duty under section 47 (3) of the Act, as follows:

- (1) the Department shall submit an application along with assessment details to the Ministry for approval;
- (2) the Ministry shall assess further and approve or reject the application and instruct the Department accordingly;
- (3) the Department shall reject or process the exemption as per the directives received from the Ministry.

Exemption entitlements on transfer of residence of Bhutanese individual to Bhutan

166. A Bhutanese shall be exempt from payment of Customs duty provided the exemptions thereof are in accordance with the privileges or relief granted by any other laws in force in the country.
167. A Bhutanese who has been residing abroad for more than 12 months shall, on a bona-fide transfer of residence to Bhutan, be allowed to import used personal and household effects as listed in **Annex VI** as accompanied baggage or cargo without payment of Customs duty.
168. For the purpose of section 167 of this Regulation, the approved and exempted list of items must arrive within 60 working days from the date of arrival or entry of a Bhutanese into the country.
169. A person shall declare to Customs, at the point of entry, motor vehicles, motorcycles and other goods which are not eligible for Customs duty exemption on its first entry into the country, and complete the Customs procedures in accordance with chapter 12 of this Regulation.
170. For the purpose of section 169 of this Regulation, Customs duty shall be assessed on depreciated value at the rate of 20% per annum or fraction thereof on straight line method and in case of motor vehicle, the date of registration in the country of residence shall be the date used for calculating the depreciation.
171. A concession provided in section 167 of this Regulation shall not be extended to more than one person in a family, unless it is proved to the satisfaction of the Department that the person claiming these facilities was staying abroad independently and maintaining a separate residence.

Procedure to apply for Customs Duty Exemption

172. A person eligible for exemption shall apply for exemption with relevant documents to the Department in accordance with **Annex VIII**.
173. In case of exemption granted under this Regulation, the application must make reference to the international convention, covenants, multilateral or bilateral agreement signed with the Kingdom of Bhutan under which exemption is sought.

174. An applicant shall along with an application submit a copy of the recommendation letter issued by the Ministry of Foreign Affairs, where applicable.
175. The Department and designated regional offices authorized by the Ministry shall, if satisfied with the application, issue import duty exemption certificate in accordance with **Annex IX** to the exempt organization or individual.
176. The Department may, from time to time, through public notification decentralize issuance of exemption certificate of specific nature of goods to the Head of the regional offices of respective region.
177. The Department shall expedite and give priority in the issuance of exemption certificate for importation of goods at times of disaster, emergency, national security or to prevent economic crisis.

Documents required to be submitted for availing exemption certificate

178. A person to avail exemptions under this Regulation shall submit to the Department the following documents:
- (1) duly filled application form as per **Annex VIII**;
 - (2) bilateral or multilateral agreement under which exemption is sought;
 - (3) customs declaration form and certificate of origin issued, if the exemption is sought for having earned hard currency;
 - (4) a statement issued by a recognized Financial Institution confirming the receipt of hard currency earned from the export of goods;
 - (5) work permit issued by relevant agencies in case of experts and consultants applying for exemption;
 - (6) copy of declaration, receipt issued by the Customs and supply order from the exempted party in case of exemption applied for refund purpose.

Import on behalf of exempted party

179. Where import is made on behalf of an exempt person, Customs duty shall be paid at the point of entry and refund shall be processed by the exempt person in accordance with chapter 19 of this Regulation.

Withdrawal of exemption

180. If a person does not adhere to the provisions of this Regulation, exemptions given under this Regulation may be withdrawn and applicable fines and penalties shall be levied as per the relevant provisions of this Regulation.

CHAPTER 9
CLEARING AND FORWARDING AGENT AND COURIER SERVICE AGENT

Appointment of Customs clearing and forwarding agent or courier service agent

Application

181. A person to act as an authorized clearing and forwarding agent or courier service agent for clearance of goods shall make a written application to the Department or concerned regional office in accordance with **Annex X**.
182. An applicant is qualified to be a clearing and forwarding agent or courier service agent, if the person:
- (1) is a Bhutanese national;
 - (2) possesses a valid tax clearance certificate;
 - (3) has attained 18 years of age, if the person is an individual or sole proprietor;
 - (4) employs persons with sufficient level of knowledge on Customs matters including legislation and has successfully undergone Customs examination conducted by the Department or regional office;
 - (5) has good compliance record;
 - (6) does not have any adverse record or has committed any Customs or criminal offence;
 - (7) furnishes proof of financial solvency.

Examination of the application

183. The concerned regional office may, on receipt of an application, make enquiry on particulars laid out in an application and supporting documents for the purpose of examination and make such other enquiries as the regional office, may consider necessary.
184. Where an applicant intends to act as an agent or provide service, the concerned regional office shall correspond with other regional offices to further validate and obtain information on the applicant.
185. The concerned regional office shall, for the purpose of section 182(4) of this Regulation, ensure the applicant and employees applying as clearing and forwarding agent or courier service agent have successfully undergone Customs examination conducted by the Department.
186. Upon satisfactory examination of an application and fulfillment of required conditions, the regional office shall recommend issuance of trade license by the relevant agency.

Registration

187. A person recommended under section 186 of this Regulation shall submit the following to obtain the certificate of registration as an authorized clearing and forwarding agent or courier service agent:
- (1) valid trade license as clearing and forwarding agent or courier service agent;
 - (2) Tax Payer Number issued by the concerned regional office;
 - (3) security deposit of Nu. 100,000 in the form of a Bank Guarantee;
 - (4) copy of agreement signed between the applicant and the Department in accordance with **Annex XI**; and
 - (5) copy of the agreement signed between the Bhutanese agent and foreign counterpart, where applicable.
188. The Department shall issue a certificate of registration in accordance with **Annex XII** and update the record accordingly.
189. The concerned regional office shall maintain and update a list of registered agents and such list and other relevant information shall be forwarded to the Head Office for necessary publication and record.

Validity and renewal

190. A registration certificate is valid for a period of three years.
191. An agent shall renew the certificate of registration prior to expiry of the validity period.
192. In the event of failure to renew a certificate of registration on time, the Department may cancel the registration or impose applicable fines in accordance with section 639 of this Regulation.
193. The Department shall, upon receipt of request to renew a certificate, renew the registration for a period of three years provided the registered agent submits:
- (1) satisfactory performance certificate and recommendation issued by the concerned regional office;
 - (2) a valid tax clearance certificate;
 - (3) a valid trade license;
 - (4) a valid Bank guarantee; and
 - (5) a list of employees holding valid Customs exam certificate awarded by the Department.

Obligations of Clearing and Forwarding Agent or Courier Services Agents

194. An authorized clearing and forwarding agent or courier service agent shall:
- (1) maintain an established business with furnished office and required facilities;
 - (2) provide the regional office with the renewed trade license on annual basis;
 - (3) obtain an authorization from the consignees to act as an authorized agent for clearance of goods from Customs and present for examination, where required;
 - (4) advise client to comply with the provisions of the Act and this Regulation and in case of non-compliance, bring the matter to the notice of the Customs authorities;
 - (5) not withhold any information relating to assessment and clearance of goods from the assessing officer;
 - (6) not disclose or misuse any restricted information obtained during the course of employment;
 - (7) not attempt to influence the conduct of a Customs official, in any matter pending before such official or the official's subordinate, by the use of threat, false execution, duress or offer of any special inducement or promise of advantage or by the bestowing of any gift or favor or other things of value;
 - (8) maintain proper records and accounts in accordance with the Act and this Regulation thereof;
 - (9) ensure that all documents prepared or presented to Customs are strictly in accordance with the legal requirements and contain no false or misleading information;
 - (10) ensure that registered agent discharges duties with integrity and efficiency both to Customs and the client;
 - (11) pay applicable Customs duty in cases where goods are pilfered, lost, damaged or abandoned while in transit to Bhutan and, in addition, the registered agent shall be liable to pay all other liabilities as it becomes payable;
 - (12) inform the Department in writing about change or recruitment of new employee;
 - (13) ensure that Customs clearance formalities are completed prior to release of goods from the Customs Station;
 - (14) not allow a third party or any other person to operate the business on their behalf.
195. Any change in the terms of Trade and Commerce Agreement between the Government and another foreign Government may entail a change likewise in the terms and conditions therein.
196. Where a registered clearing and forwarding agent or courier service agent appoints or authorizes a foreign registered agent to clear consignments outside Bhutan, the former shall be fully responsible for all acts of the foreign registered agent and ensure that the foreign registered agent completes the following formalities:

- (1) obtain Authorization for clearance of consignments outside Bhutan from the registered clearing and forwarding agent or courier service agent for each consignment;
- (2) approach the Liaison and Transit Office (LTO) or Regional Office along with the required documents as prescribed in this Regulation and an authorization letter issued by the Bhutanese registered agent and if the documents are found in order, the LTO or regional office shall authorize the concerned agent for clearance of consignments;
- (3) keep the LTO or regional office fully informed with regard to the progress in the clearance activities;
- (4) obtain road documents from the LTO before the dispatch of the consignment to Bhutan;
- (5) in case demurrages are incurred on goods, the same shall be directly settled by the agent with the importer;
- (6) employ surveyors at ports to conduct surveys on the goods before they are dispatched to Bhutan, wherever necessary;
- (7) produce transit insurance documents to the LTO prior to the dispatch of the goods to Bhutan;
- (8) all goods, which are not full truck load, shall be deposited either in a temporary storage or a warehouse approved by the Department or in a warehouse approved by the Customs authorities of Foreign Country and under no circumstances shall a clearing agent be permitted to store goods in other storage place;
- (9) complete cross border formalities with the foreign Customs authorities in keeping with the Protocol to the Trade and Commerce Agreement between the Government and the another foreign Government; and
- (10) submit to the LTO, the road documents duly signed by the designated Customs Office in Bhutan and the foreign Customs authorities within one month from the date of clearance from the foreign Customs.

Renewal and Forfeiture of Security Deposit

197. A failure to renew security deposit within the expiry of the validity period is liable for a fine prescribed in section 639 of this Regulation.
198. Any violation of the Act, this Regulation, and any other relevant laws shall result in forfeiture of the security deposit.

De-registration, Cancellation and Suspension

199. The Department may de-register, cancel or suspend the registration of an authorized clearing and forwarding agent or courier service agent on any of the following grounds:

- (1) if the certificate holder fails to renew the registration within the extended period;

- (2) expiry of the validity of the security deposit and failure to renew the same within the extended period;
 - (3) mis-conduct which renders them unfit to act as agent;
 - (4) collude with Customs official for personal gains or create any loss to the Government revenue; or
 - (5) breach of the agreement signed with the Department.
200. An authorized clearing and forwarding agent or courier service agent shall be served a notice informing the grounds of de-registration, cancellation or suspension and their right to appeal.
201. The Department shall notify all Customs Stations concerning de-registration, cancellation or suspension of the agent.

CHAPTER 10
ENTRY AND EXIT OF CONVEYANCE

202. For the purpose of this chapter the following definitions applies:

“Advance Passenger Information” involves the capture of a passenger's biographic data and other flight details by the carrier prior to departure and the transmission of the details by electronic means to the Border Control Agencies in the destination country.

“Charterers” is a person that charters an aircraft or bus.

“Commercial airline” means the owner or operator of a commercial aircraft.

“Commercial aircraft” means any aircraft that is used for the commercial transportation of persons or goods by air.

“Reservation system” means any system, whether electronic or manual that contains information relating to persons on board of a commercial aircraft.

Entry and exit of conveyance

203. Conveyances carrying goods to or from Bhutan shall enter or exit through the designated Customs Stations.

204. An authorized Customs entry and exit points are as listed in **Annex XIII**.

205. A person-in-charge of a conveyance shall convey the goods through designated entry and exit points, where applicable, and without delay report to the nearest designated Customs Station in Bhutan.

206. A person-in-charge of a conveyance shall ensure that goods or packages are not altered or tampered.

207. A person shall report to the nearest Customs Station in accordance with section 56 of the Act, any accidental entry of conveyance carrying goods or passengers in area other than Customs Station.

Advance Passenger Information (API), responsible person and data requirements

208. The Department shall cooperate and coordinate with the relevant agencies in the development, operation and use of an API system and shall consult with commercial airlines and charterers operating in Bhutan.

209. The following persons shall submit API data in accordance with section 210 of this Regulation:

- (1) commercial airline and charterers who undertake to carry persons or goods to Bhutan and the representatives of those carriers and charterers;
 - (2) owners and operators of a reservation system.
210. The prescribed API data in respect of a person on board of a conveyance is stipulated in **Annex XIV**.

Advance Passenger Information process

211. A commercial airline operating in Bhutan including chartered flight shall provide API on every passenger and crew bound for Bhutan upon the aircraft's actual departure from the last point of departure before arriving in Bhutan.
212. A Person under section 211 of this Regulation shall submit to the Department the items (1) to (16) of **Annex XIV** in the form of a passenger manifest:
- (1) if the duration for an aircraft to reach Bhutan from its last port of call is less than two hours, the passenger manifest shall be submitted to Customs one hour prior to the arrival of the aircraft in Bhutan;
 - (2) if the duration for an aircraft to reach Bhutan from its last port of call is more than two hours, the passenger manifest shall be submitted to Customs two hours prior to the arrival of the aircraft in Bhutan;
 - (3) an outward manifest of passenger on aircraft shall be lodged to Customs within thirty minutes before departure or as required by the Department.
213. The Department shall use the API data for risk assessment to expedite and facilitate the passenger clearance process.
214. The responsible person shall, based on the result of the risk assessment, submit information to Customs as laid out in items (17) and (18) of **Annex XIV**.

Cargo Manifest

215. A person in charge of a conveyance or the authorized agent shall submit a cargo manifest to the Customs.
216. A person in charge or the authorized agent shall complete the following task to submit a cargo manifest of all incoming and departing international flights:
- (1) ensure information regarding the goods imported to or exported from Bhutan are true and accurate;
 - (2) notify Customs of additions or omissions brought to the manifest after it is submitted;
 - (3) notify Customs where aircraft has no goods as cargo.

217. If the duration for an aircraft to reach Bhutan from its last port of call is less than two hours, the inward cargo manifest shall be submitted to Customs one hour prior to the arrival of the aircraft in Bhutan.
218. If the duration for an aircraft to reach Bhutan from its last port of call is more than two hours, the inward cargo manifest shall be submitted to Customs two hours prior to the arrival of the aircraft in Bhutan.
219. An outward cargo manifest of an aircraft shall be submitted to Customs prior to the time of departure.
220. The Department may accept Airway bill, bill of lading, consignment notes, and others containing minimum data requirements of Customs as cargo manifest.

CHAPTER 11

TEMPORARY ADMISSION

General conditions for temporary admission

221. Temporary admission of goods is permitted under section 60 of the Act,:
- (1) if a person or guarantor in Bhutan accepts responsibility for import and re-export of the goods; or
 - (2) on payment of security deposit equivalent to the value of applicable Customs duty.
222. A person or guarantor shall furnish an application for temporary admission to Customs for import of goods into Bhutan in accordance with **Annex XV**.

Goods to be imported on temporary admission

223. Subject to section 221 or 222 of this Regulation, goods for the following purpose is permitted under the temporary admission procedure, free of Customs duty:
- (1) goods for display or use at exhibitions, fairs, meetings or similar events;
 - (2) professional equipment;
 - (3) goods imported for educational, scientific or cultural purposes;
 - (4) goods imported for humanitarian purposes;
 - (5) means of transport;
 - (6) any other goods for specific purpose subject to re-export as approved by relevant authority.
224. Notwithstanding section 223 of this Regulation, the Department may, from time to time, notify consumables, tools, spare parts and any other goods not eligible for temporary admission.

Restrictions

225. Upon submission of Permit issued by the relevant authority, the Customs shall permit Temporary admission of restricted goods.

Customs Declaration and documentation

226. A Temporary admission under section 222 of this Regulation is deemed Customs declaration.
227. Where goods are meant for temporary admission, the following documents are required to be submitted:
- (1) invoice;
 - (2) packing list/inventory of the goods;

- (3) import permit from the relevant agency, where required;
- (4) letter of undertaking from the guarantor or holder;
- (5) any other documents deemed necessary by the Department.

Security

228. An amount of security deposit under section 221 (2) of this Regulation must not exceed the value of Customs duty of goods that are conditionally released.

Identification of temporarily admitted goods

229. The Department may, to ensure that the same imported goods are re-exported, take appropriate measures to identify the goods at the time when the temporary admission procedure is terminated.

230. The Department may, where possible, use the following means to identify the goods:

- (1) marks accepted or affixed by foreign Customs authority;
- (2) number or other indication permanently affixed to the goods;
- (3) by description, photographs or sampling;
- (4) examine the accounting records of the person concerned; or
- (5) appropriate surveillance of the premises where the temporarily admitted goods are stored including means of transport.

231. Where identification measures listed under section 230 of this Regulation are not feasible or not available, the Department may take alternative measures, as considered necessary.

Period for re-exportation for temporarily admitted goods

232. A person or guarantor shall, within 30 working days from the date of declaration, re-export goods imported on temporary admission.

233. The Department may, on request of the person or guarantor, consider extension, on case-by-case basis.

Temporary admission for goods imported for projects

234. For the purpose of this section, a project means those projects with duration not less than 12 months and as approved by the government.

235. A person or guarantor shall to the extent possible, re-export goods imported on temporary admission for projects, within 12 months from the date of declaration.

236. The Department may, on written request by the person or guarantor, consider extension of the temporarily admitted goods for projects on annual basis.

237. The Department shall, for the purpose of section 236 of this Regulation, carry out onsite inspection to ensure compliance with this Regulation.

Transfer of temporary admission

238. The Department may, on request, authorize transfer of goods under temporary admission to any other person, provided that such other person:

- (1) provides equivalent security deposit;
- (2) declares to fulfill all other obligations related to the goods under temporary admission including the means of transport; and
- (3) agrees to abide by the person or guarantor's obligations to the Department.

Termination of temporary admission

239. A person or guarantor may choose to re-export temporarily admitted goods including means of transport through Customs Station other than the one through which it was imported.

240. Temporary admission under section 222 of this Regulation is terminated by re-exportation of the goods.

241. The Department may, upon request, authorize temporary admission to be terminated by placing the goods including means of transport in a Customs warehouse or under a Customs transit procedure for the purpose of subsequent re-exportation.

242. The Department shall, where goods are sold in the domestic market, terminate temporary admission procedure and consider it as home use under chapter 12 of this Regulation.

243. For the purpose of section 242 of this Regulation, the following requirement is applicable:

- (1) assessment is carried out as per chapter 18 of this Regulation;
- (2) trader shall keep the record of all the goods, complete the required Customs procedure and pay applicable Customs duty;
- (3) the Department may collect interest on late payment in accordance with section 43 of the Act.

244. If goods including means of transport is seriously damaged by accident or force majeure, the Department shall, upon request, allow termination of the temporary admission procedure in one of the following manner:

- (1) clearance of goods for home use subject to Customs duty liable at the time when presented to the Department in their damaged condition; or

- (2) abandonment, free of all expenses to the Department without payment of Customs duty in accordance with section 623 of this Regulation by issuing confiscation memo.

Provided that the goods including means of transport stolen during the period of temporary admission is liable for Customs duty, if it is due to negligence or willful act of that person.

245. If goods are stolen during the period of temporary admission and such incident is reported to relevant authority, the Department may terminate temporarily imported goods.
246. Where person or the guarantor satisfies the Customs of the destruction or total loss of the goods by accident or force majeure, the Department may terminate temporarily imported goods.

Repayment of security

247. A person or the guarantor shall, upon successful termination of the temporary admission, be refunded the security deposit.

Liability of the guarantor or person

248. Where imported goods permitted under temporary admission are not re-exported within the expiry or extended deadline under this Regulation, a person or guarantor shall be liable for any:
- (1) Customs duty, fees and other charges arising from the temporary admission procedure;
 - (2) compensation for the loss and damage by reason of breach of procedures by beneficiary.

Customs offence and fines

249. Any breach of provisions on temporary admission is dealt in accordance with section 143 (7) of the Act.

Settlement of disputes and appeals

250. Any dispute or appeal arising from the temporary admission is dealt in accordance with chapter 21 of the Act.

Re-importation and re-exportation of goods

251. For the purpose of re-importation and re-exportation of goods, provisions under sections 299 to 308 of this Regulation are applicable.

CHAPTER 12 CLEARANCE PROCEDURES

General Declaration

252. Customs Declaration must clearly specify the Customs procedures as specified in section 58 and 59 of the Act.
253. For the purpose of section 63 of the Act, a person shall declare goods to Customs at the entry or exit point in the following manner:
- (1) electronically; or
 - (2) manually, using forms prescribed in **Annex XVI, XVII, XVIII and XIX.**
254. A person shall initiate declaration of goods to Customs upon entry of such goods into the country for home use, unless the declaration time period is otherwise specified in this Regulation.
255. A declaration made electronically has the same legal efficacy as the manually submitted declaration.

Advance Declaration

256. The Department may, subject to the condition that the goods arrive within 30 working days from the date of filing an advance declaration, accept an advance declaration made by a person.
257. For the purpose of section 256 of this Regulation, an exchange rate and the rate of Customs duty shall be the rate in force on the day the goods enter Customs Station in Bhutan.
258. When a person does not have all the information required to make Customs declaration, a provisional Customs declaration may be permitted to be lodged.

Provided that the declaration contains minimum documents and adequate information, as considered necessary by Customs.

Acceptance of Customs Declaration

259. A verifier of the declaration shall, prior to acceptance, ensure and validate that all information and supporting documents provided are correct.
260. The Department may not accept the Customs declaration unless the required documents and the information are furnished by a person.
261. An amendment of the declaration accepted by the Department may be amended in accordance with section 265 of this Regulation.

262. A declaration accepted by the Department shall be subject to further verification.
263. Date of acceptance of Customs declaration is the date on which the person is issued an electronic or manual confirmation of the acceptance of declaration by the Department in accordance with **Annex XX**.

Amendment of Customs Declaration

264. The Department may, prior to the acceptance of Customs declaration, permit a person to amend the Customs declaration.
265. The Department may, after acceptance of Customs declaration and on receipt of a written request under section 69 of the Act, allow a person to amend the Customs declaration.
266. An amendment in the Customs declaration required as a result of Customs examination is dealt in accordance with applicable provisions under chapter 20 of the Act.

Withdrawal, cancellation and rejection of Customs Declaration

267. A person may, prior to the acceptance of Customs declaration, withdraw the declaration.
268. The head of the concerned regional office may, after acceptance of Customs declaration and on a written request by the concerned person, approve withdrawal or cancellation of declaration only on genuine grounds and justification.
269. If an applicant fails to fulfill applicable provisions of this Regulation, the Department may reject the declaration.

Review of Customs declarations

270. The Customs assessor, equivalent to a Deputy Collector level or officiating Customs officer designated by the head of Customs shall assess the accepted declaration.
271. If the Department applies risk profiling system or compliance program, the Customs assessor may have the option to decide a subsequent Customs procedure for the declared goods.
272. The Customs assessor shall assess valuation of an imported or export goods as per the value derived by applying relevant valuation methods stipulated under chapter 5 of this Regulation.
273. Upon carrying out the physical examination of the goods initiated under section 271 of this Regulation, the Customs assessor may consider the assessment of valuation.

Examination of Customs declaration and goods

274. A physical examination of goods shall be carried out,:
- (1) if, the Department has reasonable doubt on the veracity or accuracy of the declaration made;
 - (2) where the Department has received prior information;
 - (3) based on the compliance record of the person;
 - (4) based on application of risk assessment; or
 - (5) if, considered necessary by the Department.
275. The Department shall conduct physical examination of goods in presence of a person or the authorized representative.
276. Customs official shall prepare and furnish an examination report in accordance with **Annex XXI**.

Release of Goods

277. Upon completion of Customs formalities and on payment of applicable Customs duty, fees and charges, including any applicable fines and penalties, the Department shall issue an order permitting the release of goods.
278. Where a person has appointed a clearing and forwarding agent or courier service agent, all correspondences on the release of goods must be done through the concerned agent.

Release of goods on Security

279. A security deposit must be furnished in the form prescribed in **Annex XXII**.
280. The Department may release goods after receiving security deposit equivalent to the value of applicable Customs duty, fees and charges from a person.
281. The Department may also accept security deposit provided by another person, other than the person liable such as a guarantor.

Joint Examination of goods

282. The Department may initiate joint examination of goods with other relevant authorities to expedite the clearance process.
283. The Customs may consider a joint examination conducted under section 282 of this Regulation as final and may not conduct separate physical examination.
284. The Customs and relevant authorities may conduct joint examination in the same location.

Power to take samples

285. For the purpose of section 72 of the Act, the Department shall take samples, if it is unable to ascertain classification or value of goods from the particulars declared in the Customs declaration or from the findings of the physical examination.
286. Samples drawn under section 285 of this Regulation must be as small as possible in terms of quantity or value.
287. In a joint examination, samples may be taken in coordination with relevant authorities, where practicable.
288. The Department shall ask a person or the authorized representative present to draw the samples required and such person shall bear all risks and costs related to the examination, taking of samples and analysis of the goods.
289. The Department shall issue a Sample Memo in accordance with **Annex XXIII** and hand over a copy to the person or the authorized representative.
290. After the purpose for which the sample was taken is carried out, the Department shall restore the sample to the person or the authorized representative, if practicable.
291. If the person fails to take delivery of the sample, the Department may dispose off the sample in accordance with the provisions laid down for abandoned goods under chapter 7 of this Regulation.
292. Where examination of the samples result in destruction or irretrievable loss, no Customs duty is applicable.
293. Where the samples are taken for analysis or more detailed examination, the Department shall, on being satisfied with the results of the examination or analysis, release the goods.

Special clearance procedure for compliant trader

294. The Department may allow a compliant or trusted trader to clear goods under special procedure in accordance with chapter 13 of this Regulation.

Documents and supporting document for import clearance

295. A person shall, on arrival or prior to import of the goods, submit to the Department duly filled **Annex XVI** or **XVII** along with the following documents:
- (1) invoice or attested invoice by the relevant financial institution, where applicable;
 - (2) packing list;
 - (3) freight documents;

- (4) bill of lading or air-way bill;
- (5) marine or air or transit insurance policy, where applicable;
- (6) import permit or license, where applicable;
- (7) letter of authorization, where applicable;
- (8) permit issued by relevant agencies for restricted goods, where applicable;
- (9) letter of guarantee for third country imports via India, where applicable;
- (10) certificate of origin, where applicable;
- (11) exemption certificate, where applicable;
- (12) any other relevant documents, as considered necessary by the Department.

296. The Department may, at the time of declaration, request the submission of documents under section 295 of this Regulation in hard copy, for examination purposes.

Documents and supporting documents for export Clearance

297. An exporter or the authorized agent shall declare export of goods to the Customs at the point of exit.

298. A person shall submit to the Department, the following documents:

- (1) export declaration as per **Annex XVIII**;
- (2) invoice;
- (3) packing list;
- (4) shipping bill/ airway bill, where applicable;
- (5) certificate of origin issued by the relevant authority, where applicable;
- (6) insurance documents, where applicable;
- (7) export permit, where applicable;
- (8) any other relevant documents, as considered necessary by the Department.

Clearance of re-import goods

299. A person may, for the purpose of section 61 of the Act, re-import goods or conveyances.

300. For the purpose of section 299 of this Regulation, a person shall, at the time of export and import, declare to Customs, electronically or manually in accordance with temporary exportation form prescribed in **Annex XXIV**.

301. A person shall, within 90 working days from the date of export declaration, re-import temporarily exported goods.

302. Where additional value has incurred on the goods temporarily exported, the goods are subject to Customs duty on the additional value in accordance with section 61 of the Act.

303. For the levy of applicable Customs duty, a person shall furnish to the Department documents and supporting documents of the value addition or additional cost incurred.

304. A person shall, prior to expiry of 90 working days, submit a written request to the Department for time extension or its intention to dispose of the goods, failing which the Department shall invoke the applicable provisions under this Regulation.

Clearance of Re-export goods

305. A person may re-export goods and conveyances that are temporarily imported.

306. Re-export procedure may be applied on following trade transactions:

- (1) goods under the warehousing procedure may be re-exported or placed under another Customs procedure in accordance with chapter 14 of this Regulation;
- (2) goods imported and cleared for home use but found defective during warranty period and where the foreign supplier agrees to replace it, free of charge, may be re-exported for the purpose of importation of replacement, free of Customs duty subject to the provisions on replacement in the Act and this Regulation;
- (3) goods cleared for home use and received by the importer but found not to the specification of the contract of sale and is to be returned to the foreign supplier may be re-exported for the purpose;
- (4) goods on transfer due to change in residence of persons on completion of their assignment in Bhutan;
- (5) goods under subsection (2) and (3) of this Regulation shall be re-exported within 30 working days from entry into the country or date of import declaration made to the Department.

307. A person shall, at the time of re-exportation of the goods, produce the endorsed declaration of such goods made at the time of entry along with relevant documents.

308. A Person shifting residence on completion of an assignment in Bhutan shall produce the goods to be re-exported to the Customs along with a copy of the shipping Bill and a packing list in accordance with section 306 (4) of this Regulation.

Replacement of goods

309. Imported goods may be replaced on fulfillment of following conditions:

- (1) the importer proves to the Department that the goods to be replaced is the same and is provided free of charge by the foreign supplier;
- (2) the defective or obsolete or fully damaged goods are re-exported to the same foreign supplier;
- (3) the goods imported are not in conformity with the specifications agreed upon between the importer and supplier;
- (4) all documents for previously imported goods are produced to the Department;
- (5) replacement is made within 90 working days from the date of re-export declaration;

- (6) the person proves to the satisfaction of the Department that the goods have not been further processed, reconditioned, altered, repaired or used in Bhutan, unless necessary to discover the defect or damage.
310. A person shall, within 30 working days from the date of import declaration, submit to the head of the regional office, an application for replacement of goods.
311. If a person fails to produce supporting documents or any other valid evidence acceptable by Customs to prove the need to replace the goods, the Department shall not consider the application for replacement procedures.
312. Where a person fails to comply with sections 309 to 311 of this Regulation, import of goods for replacement shall not be permitted and such goods on re-import into the country shall be treated as new import.
313. The Department may accept replacement of same goods for more than one time, on case-by-case basis.

CHAPTER 13
SPECIAL PROCEDURE FOR AUTHORIZED COMPLIANT TRADER

Application

314. The Department shall be responsible for developing and administering compliant traders program in close consultation and coordination with the regional office and relevant stakeholders.
315. The concerned regional offices shall, in close consultation and coordination with head office, maintain record and monitor the respective compliant traders.
316. A person applying for compliant trader status shall submit an application to the Department or concerned regional office in accordance with **Annex XXV**.
317. Where documents are found to be incomplete, the Department or concerned regional office shall notify the applicant not later than 30 working days from the receipt of the application.
318. An applicant shall complete and fulfill the application formalities within 30 working days from the date of notification issued by the Department or concerned regional office.

Authorization criteria

319. A person applying under the compliant trader program shall fulfill the following criteria:
- (1) has sufficient volume of trade in terms of quantity or value;
 - (2) has good compliance record for the last three years, which include:
 - (a) no irregularities or default record concerning payment of Customs duty;
 - (b) demonstrate adequate knowledge on Customs and trade related matters;
 - (c) no Customs offence record;
 - (d) no adverse record or record of any criminal or other offence;
 - (3) goods are not subject to prohibitions and restrictions under the laws in force;
 - (4) maintains proper accounts and records;
 - (5) has adequate or minimum infrastructure and facilities;
 - (6) has good internal control system capable of detecting illegal or irregular transactions;
 - (7) has good financial solvency.

Examination and Rejection

320. The Department shall examine the criteria set out in section 319 of this Regulation and conduct verification audit of the applicant, if required.
321. The Department shall, prior to the verification audit, reject an application, if:
- (1) applicable criteria under section 319 of this Regulation is not fulfilled or breached;

- (2) deficiency in the application notified under section 317 of this Regulation cannot be remedied; or
 - (3) the application is submitted within three years after revocation of the Compliant Trader authorization as provided in section 336 of this Regulation.
322. An applicant may be granted an Authorized Compliant Trader status or such application may be rejected within 90 working days of receipt of the completed application.
323. If the Department is unable to consider an application within 90 working days, the period may be extended by 45 working days and the applicant shall be notified of such extension before the expiry of 90 working days with reasons thereof.
324. The Department shall issue a certificate of Authorized Compliant Trader status in accordance with **Annex XXVI**.
325. In order for an applicant to provide additional information or to permit minor problems to be addressed, a Compliant Trader verification audit may, in exceptional cases, be suspended by consensus between the applicant and the Department.
326. A suspension period must not exceed six months and the applicant shall be informed in writing of the date when the verification audit will recommence.
327. Where the result of an examination of the conditions under section 319 of this Regulation is likely to lead to rejection, the applicant shall, before rejection of the application, be notified on the findings and provide an opportunity to respond within 30 working days and in such case, the period of 90 working days as laid out in section 322 of this Regulation is suspended accordingly.
328. The Department shall, in writing and within the time limits laid down in sections 322 and 323 of this Regulation, notify the applicant of the decision to reject an application along with the grounds of rejection.

Validity and review

329. An Authorized compliant trader shall notify the Department of any significant change in business and processes that may affect the status of the trader.
330. Where change under section 329 of this Regulation is considered to result in the change in the criteria under section 319 of this Regulation, the authorization holder shall reapply for Authorized Trader program.
331. An error committed by an authorized compliant trader shall be reported to the Department, and the errors that are voluntarily disclosed does not impact the status provided that the holder:

- (1) examined the reasons for the error; and
- (2) initiated appropriate remedial action to prevent recurrence.

332. The Department shall review an authorized compliant trader status periodically to ensure continued adherence to the conditions and standards stipulated under the program.

Suspension and revocation

333. The Department may suspend an authorization under following circumstances, where:

- (1) there is a reasonable ground to suspect that an importation by or in the name of an authorized compliant trader is liable to result in a criminal offence and/or is linked to a serious infringement of a provisions of the Act and this Regulation;
- (2) non-compliance with one or more of the authorization criteria as specified in section 319 of this Regulation is detected and no remedial steps have been taken within 30 working days thereof.

Provided that the holder must be given prior information of such suspension in accordance with **Annex XXVII**.

334. If the Department is convinced that the problem affecting an authorization is satisfactorily resolved, the suspension decision shall be withdrawn.

335. The Department may revoke an authorization in the following circumstances, where the:

- (1) authorization is already suspended and the authorized compliant trader fails to take necessary remedial measure to withdraw the suspension;
- (2) authorized compliant trader has committed serious infringement of Customs law and has no further right to appeal.

Provided that the holder must be given prior information of such revocation in accordance with **Annex XXVII**.

336. If an authorization is revoked in accordance with **Annex XXVII**, the holder shall not be entitled to reapply for another authorization for a period of three years from the date of such revocation.

337. Notwithstanding sections 333 and 335 of this Regulation, the Department may, based on the offence committed or non-compliance level, suspend or revoke an authorized compliant trader status either on request from other stakeholders or agencies or through collaborative arrangement.

338. An Authorized Compliant Trader may be subject to Post Clearance Audit and based on the findings of such audit, the authorized status may be suspended or revoked.

Special procedures and incentives for authorized compliant traders

339. Pursuant to section 78 of the Act, the authorized compliant trader or authorized representative shall submit a Customs declaration in accordance with **Annex XVI** or **XVII** with minimum data requirements acceptable to Customs for assessment and decision making.
340. The authorized compliant trader shall, upon arrival of the goods at the Customs Station, be informed of the Department's decision to:
- (1) physically inspect the goods and subsequently follow normal procedure;
 - (2) not to physical inspect the goods and directly pay the applicable Customs duty for immediate release;
 - (3) directly release the goods, where applicable; or
 - (4) directly deliver the goods to the designated premises of the person.
341. Where goods are released immediately upon arrival, the authorized compliant trader shall, for the purpose of post-clearance audit, maintain original supporting documents in accordance with chapter 18 of the Act and this Regulation.
342. For the purpose of section 78 of the Act, an authorized compliant trader may be eligible for the following incentives or facilities to clear goods:
- (1) maintaining revolving account facility as per section 186 of the Act with the concerned regional offices for adjustment and settlement of Customs duty, fees or charges payable to the Department;
 - (2) simplified security requirements such as reduced comprehensive security or security waiver or release based on Letter of Undertaking approved by the head of the regional office;
 - (3) advance declaration with minimum data submission that is acceptable to the Department for carrying out Customs duty and tax assessment prior to the arrival of the goods;
 - (4) declaration to Customs within 10 working days after the date of entry or arrival of goods into the country as may be permitted by the Department;
 - (5) any other incentives or facilities that the Department considers necessary for the Authorized Compliant Traders.
343. For the purpose of section 342 of this Regulation, the Department shall notify and list the type of incentives or facilities granted to the Authorized Compliant Trader based on the evaluation and fulfillment of the authorization criteria.

CHAPTER 14 WAREHOUSING

Application

344. Pursuant to section 79 of the Act, a person may apply to the Department for operation of a public or private warehouse in accordance with **Annex XXVIII**.
345. An applicant is qualified to operate a public or private warehouse, if the person:
- (1) is Bhutanese National;
 - (2) the applicant has not been convicted of criminal offence or any other offence;
 - (3) has good compliance record;
 - (4) demonstrates knowledge of all relevant Customs laws, Rules and procedures as laid down in the Act and this Regulation.

Approval

346. The Department may, on receipt of an application, make enquiries for verification of the particulars set out in the application and supporting documents and other enquiries, as may be considered necessary.
347. The Department may approve an application for warehouse operation on fulfillment of following conditions:
- (1) submits detailed plan, location and description of the warehouse;
 - (2) the site or building of the proposed public or private warehouse is suitable for secure storage of dutiable goods;
 - (3) the site or building of the proposed public or private warehouse is suitable for general supervision by Customs and secured with a single entry and exit gate to ensure proper access, control and monitoring;
 - (4) suitable measures are taken to prevent theft, loss or deterioration of goods;
 - (5) equipped with separate and suitable storing facility for hazardous and perishable goods, where applicable; and
 - (6) furnishes a solvency certificate from any financial institutions in Bhutan provided that the condition of furnishing a solvency certificate is not applicable for Government undertaking.

Rejection of application

348. Where the condition under section 347 of this Regulation is not fulfilled, the Department shall reject an application.

Registration

349. If the Department is satisfied that an applicant fulfills the requirement under section 347 of this Regulation, a recommendation shall be issued to the concerned agency for issuance of a trade license.
350. An applicant shall, to obtain a Certificate of Registration as a Warehouse Operator, submit to the Department the following documents in accordance with **Annex XXIX**:
- (1) valid trade license as Warehouse Operator;
 - (2) Tax Payer Number;
 - (3) applicable security deposit as per section 84 of the Act in the form of a Bank Guarantee;
 - (4) agreement signed between the Department and the Warehouse Operator in accordance with **Annex XXX**.

Validity period and renewal

351. A registration certificate is valid for a period of two years.
352. A warehouse operator may, one month before the expiry date, request the renewal of the Registration Certificate.
353. Upon receipt of request to renew a Registration Certificate, the Department shall renew the registration for another period of two years provided:
- (1) that the performance of the warehouse operator is found satisfactory;
 - (2) valid trade license is submitted;
 - (3) compliance record is satisfactory;
 - (4) valid tax clearance certificate is produced;
 - (5) the Bank Guarantee is valid; and
 - (6) no adverse record or criminal record exists.

Control of goods stored in warehouse

354. The Department shall have Customs control over a public or private warehouse.
355. All warehoused goods are subject to Customs control and no person shall enter a warehouse or remove any goods without the permission of the Department.
356. Customs control and supervision may be exercised through physical presence, unannounced spot checks or periodic audits.

357. The Customs shall, for the purpose of section 81 of the Act, have control over all warehouse premises and facilities including the inventory of warehoused goods and power to examine the goods, as and when necessary.
358. Loading and unloading of goods must be done in presence of Customs official.
359. A warehouse operator shall submit to the Department monthly statements of goods received and released.

Liabilities of warehouse operator

360. A warehouse operator shall ensure that a warehouse premises is clearly marked as a Customs controlled area.
361. Goods stored in the warehouse remains under the custody of the warehouse operator.
362. A warehouse operator shall ensure the maintenance of a system of internal controls capable of detecting illegal or irregular transactions.
363. A warehouse operator shall ensure proper books of account and records are maintained.
364. A warehouse operator shall ensure maintenance of all types of risk insurance policy, which includes insurance against natural calamities and fire for a sum equivalent to the amount of Customs duty involved on the dutiable goods proposed to be stored in the public or private warehouse.
365. A warehouse operator shall be liable to pay Customs duty, fees, charges, fines and penalties on goods, which are not accounted correctly, lost, damaged, destroyed or misused.
366. A warehouse operator shall, within 10 working days after the closure of the month to which such return relates, file with the Department a monthly inventory report or return on the receipt, storage, operations and removal of the goods in the warehouse.
367. Where the validity specified in section 351 of this Regulation expires on a particular month, the warehouse operator shall furnish such information to the Department on or before the tenth day of the month immediately preceding the month of such expiry.
368. A warehouse operator shall, with regard to change in ownership, location or winding up of a business, produce a tax clearance certificate and such change shall be reported to the Department in writing not later than 30 working days from the date of such occurrence.
369. In the event of winding up of business without providing notice to the Department, a warehouse operator shall be liable for any outstanding Customs duty, fees, charges, fines and penalties as applicable.

Owner's right to warehoused goods

370. An owner of goods shall have the right to warehoused goods in accordance with section 85 of the Act.
371. An activity in the warehouse prescribed under section 85 of the Act must be performed under supervision of the Customs.

Admission to warehouse

372. For deposit of dutiable goods in registered public or private warehouse before or after the arrival of goods, a person shall notify the Department in writing along with the following documents:
- (1) invoice;
 - (2) packing list;
 - (3) transport and insurance documents, where applicable.
373. A person shall, on approval from the Department, move goods to a public or private warehouse and such goods must be registered under the warehouse procedure.
374. A warehouse operator shall record the goods in a register or computerized system maintained at the warehouse.
375. All goods to be admitted to a public or private warehouse must be covered by a security deposit as specified in section 84 of the Act.

Release of goods from warehouse

376. Goods from warehouse may be released on presentation of the documents and completion of formalities in accordance with chapter 7 and 12 of this Regulation.
377. A person shall, at the time of clearance of goods from a warehouse, submit to the Department a copy of duly registered warehouse manifest issued at the time of admission of the goods into the warehouse by the warehouse operator.
378. If a person decides to remove goods stored in the warehouse for home use then such goods will be treated under normal import procedures and declaration to Customs must be initiated immediately.

Transfer of Goods from one Warehouse to another

379. An owner of warehoused goods may, with the prior permission of the Department, remove and transport goods under bond from one warehouse to another.
380. An owner or authorized agent shall make an application for transfer of warehoused goods to the Department in accordance with **Annex XXXI**.

381. The Department shall issue permit for transfer of goods from one warehouse to another in the form prescribed in **Annex XXXII**.
382. Goods transferred under section 379 of this Regulation shall be stored in a new warehouse for remaining period specified in section 383 of this Regulation.

Time period for storage of goods in warehouse

383. Goods shall be allowed to be admitted under the warehouse procedure for a period of 90 working days from the date of deposit into the warehouse.
384. If goods are not cleared from the warehouse by the importer or authorized agent within the time stipulated under section 383 of this Regulation, the warehouse operator shall inform the Department in writing of such breach.
385. The Department shall notify the importer or authorized agent of the expiry of the warehousing period.
386. If an importer or authorized agent fails to respond within 10 working days from the date of notification under section 385 of this Regulation, the Department may assume the goods to be abandoned and dispose off in accordance with chapter 26 of this Regulation.
387. Notwithstanding section 398 of this Regulation, the Department may, on written request, extend the period by 120 working days.

Damage or deterioration of goods in a Warehouse

388. Customs duty shall be levied on goods deteriorated or damaged by accident or force majeure while under the warehouse procedure in accordance with section 129 of this Regulation.

Discharge or Forfeiture of security

389. The Department shall, on winding up of a warehouse operation, discharge security deposit, provided that there are no unsettled or outstanding issues with the Department or any other relevant agencies.
390. Where a warehouse operator breaches a provision of this Regulation, the Department shall forfeit the security deposit.
391. Where the forfeited security deposit is less than the applicable Customs duty, fines, penalties, fees and charges, a warehouse operator shall pay the remaining amount.

Suspension and cancellation

392. The Department may suspend an operation of a warehouse, if an operator fails to renew within 30 working days from the expiry date the following documents:
- (1) bank guarantee;
 - (2) the trade license;
 - (3) Registration Certificate.
393. The Department shall, prior to any decision to suspend an operation, inform the operator.
394. A suspension decision is effective for 30 working days from the date of issuance of a suspension notice.
395. The Department shall cancel the Certificate of Registration in the following circumstances:
- (1) where the Certificate of Registration is already suspended and the holder fails to take remedial measure to have the suspension withdrawn;
 - (2) where the holder has committed serious infringement of Customs law and has no further right to appeal.
396. The Department shall, prior to a decision to cancel Certificate of Registration, inform the operator and provide an opportunity to submit necessary justification to the Department.
397. In case the Certificate of Registration is cancelled, the operator shall not be entitled to reapply for a period of one year from the date of cancellation.
398. The Department shall inform the warehouse operator and concerned person to transfer goods to another Customs warehouse or to place under another Customs procedure within 20 working days after the date of notification.
399. Where the concerned person or authorized agent or the warehouse operator fails to respond or request for an extension, the Department may assume the goods to be abandoned and may dispose off through public auction or tender in accordance with chapter 26 of this Regulation.

CHAPTER 15 TRANSIT AND TRANSSHIPMENT

Transit to Bhutan through foreign territories

400. The protocol on Trade, Commerce and Transit agreement between the Government and the Government of Republic of India governs the procedure for import or export of goods in transit through the territory of India.
401. In case the services for import of goods from countries other than India are provided by the Department through any of the transit and liaison office, a person shall be liable to pay:
- (1) 1.0% agency commission to the Department, if Customs is used as the clearing and forwarding agent to clear goods in transit; or
 - (2) 0.25% service charge to the Department as to cover the administrative cost, if a registered private clearing and forwarding agent is used to clear goods in transit.
402. An agency commission and service charges under section 401 of this Regulation is levied on transaction value derived at the point of entry in Bhutan.

Transit from one part of Bhutan to another through Indian territories

403. The protocol on Trade, Commerce and Transit agreement between the Government and the Government of Republic of India governs the procedure for goods in transit from one part of Bhutan to another part of Bhutan through the territory of India.
404. In keeping with the protocol on Trade, Commerce and Transit agreement between the Government and Government of Republic of India, the Department:
- (1) may, for the movement of imported goods from one part of Bhutan to another through foreign territories, allow the owner or authorized agent to declare the imported goods to the Department for obtaining a transit declaration in accordance with **Annex XIX** along with applicable security deposit;
 - (2) may issue transit declaration on verification of documents and examination of goods at the exit point;
 - (3) shall provide a copy of the transit declaration to the owner or authorized person which shall be handed over to Customs check post at the entry point;
 - (4) may, prior to clearance, verify the documents and examine the goods at the point of entry;
 - (5) shall reconcile transit and record as entry.
405. Transit process is considered complete when goods in transit are delivered at the intended destination and when all due process in this Regulation are completed.

406. An owner or authorized agent shall along with a transit declaration submit a letter of undertaking stating that the goods are meant for bona-fide use in Bhutan, which shall be duly endorsed by the Department on exit, where necessary.
407. Transit reconciliation for incoming and outgoing may be carried out among the Customs Stations, where necessary.

National Transit

408. Goods intended for stores, postal and duty free operation may be allowed for national transit provided that:
- (1) a person declares stores, postal and duty free goods in accordance with **Annex XIX**;
 - (2) in case of an authorized compliant trader under chapter 13 of this Regulation, a simplified security or a legal undertaking letter is submitted at the entry Customs Station in accordance with **Annex XXII** of this Regulation or in case of a regular trade or transaction, a security deposit on one time basis for a specified period is discharged in the name of the Department;
 - (3) Customs officials at the departure point shall issue transit declaration to the person to be handed over to Customs officials at the destination point;
 - (4) transit reconciliation for incoming and outgoing, as the case may be, is carried out among the Customs Stations and with the stores and duty free operators, where necessary.
409. The Customs official at the destination point shall acknowledge in writing or electronically on the receipt of goods.
410. If necessary, goods on national transit may be allowed for transshipment at the point of entry under the supervision of Customs official.
411. In case of any offences or deflection of the goods on national transit, the Department shall invoke relevant provisions of the Act and this Regulation.

Discharge of Security Deposit

412. The Department shall discharge security deposit, if any, to a person upon fulfillment of transit process.

Liability for transit and transshipment

413. Any violation of this chapter shall be dealt in accordance with sections 94 and 95 of the Act.

CHAPTER 16
CLEARANCE OF PASSENGERS AND BAGGAGE

Free Baggage Allowance for Bhutanese nationals, foreign resident and diplomatic officials

414. Bhutanese nationals and foreigners above the age of 15 years residing in Bhutan and travelling by air and returning into the country is entitled to free baggage allowance within the value and quantity threshold prescribed in **Annex XXXIII**, without payment of Customs duty.
415. Gold and silver in the form of coins, bars or bullion including jewelry in excess of the quantity mentioned in **Annex XXXIII** shall require permit from the relevant agency and is subject to levy of Customs duty.
416. Baggage or goods in commercial nature shall not be considered as free baggage allowance even if the value of the goods is less than US\$ 1000 or equivalent in Ngultrum.
417. For the purpose of this Regulation, a baggage is considered to be non-commercial in nature when it is occasional and consists only of goods for personal use or consumption by a traveler or by a family of traveler or to be disposed of as gifts in the country, and does not suggest by the nature or quantity that the goods are imported for commercial purpose.

Unaccompanied Baggage

418. Allowances under sections 414 to 417 of this Regulation for accompanied baggage is extended to unaccompanied baggage provided that such baggage is shipped or dispatched from abroad within 30 working days preceding or following the date of arrival of the passenger in Bhutan.
419. On being satisfied with the reason for dispatch of a baggage beyond the period specified in section 418 of this Regulation is genuine, the Department may consider such delay.
420. An owner or the authorized agent shall, for unaccompanied baggage arriving by air, produce the following documents to the Customs at the airport:
- (1) airway bill, where applicable;
 - (2) packing list, where applicable;
 - (3) invoice or value declared for Customs purpose;
 - (4) letter of authorization, where applicable;
 - (5) copy of passport;
 - (6) any other relevant documents.
421. A consignor and consignee must be the same person in order to claim the unaccompanied baggage.

Baggage Allowance for Aircrew Members

422. Aircrew member is entitled to duty free baggage allowance only upto a value of Ngultrum 2,000 or equivalent per trip or travel.
423. The following goods shall not be permitted as an aircrew baggage:
- (1) gold, silver and jewelry;
 - (2) alcohol products;
 - (3) electronic items; and
 - (4) goods for commercial purpose or in commercial quantity.

Baggage allowance for foreign tourists

424. A foreign tourist shall be allowed to temporarily import used personal effects and articles reasonably required for the visit, free of Customs duty.

Provided that the items imported are for personal use and is re-exported on leaving Bhutan.

425. A foreign tourist shall be allowed to import articles up to a value of Ngultrum 10,000 or equivalent for personal use or as gifts and travel souvenirs including spirit of not more than two liters and perfume of not more than 100 ml, free of Customs duty, if such articles are carried on the person or as accompanied baggage.
426. A foreign tourist shall be allowed to temporarily import following articles of high value either by submitting a written inventory list containing details of goods to the airport Customs on arrival along with an undertaking to re-export the same upon departure from the country or filling in the form prescribed in **Annex XV**:
- (1) sound recording equipment;
 - (2) film projector's slides and film for demonstration;
 - (3) scientific and professional equipment;
 - (4) instrument and appliances like video recorders.
427. For the purpose of section 426 of this Regulation, a person shall present or submit the same declaration to airport Customs at the time of departure and if a Customs official, on examination, finds discrepancy in the articles as declared on arrival, applicable Customs duty at the prevailing market rate in Bhutan shall be levied on the missing articles or items.
428. A foreign tourist shall be allowed to temporarily import items for sports purposes in reasonable quantities, free of Customs duty.

Provided that the items imported must be re-exported on leaving Bhutan.

429. For the purpose of section 428 of this Regulation, a person on arrival shall present or submit a written inventory list containing details of the goods to airport Customs along with an undertaking to re-export the same upon departure from the country or filling in the form prescribed in **Annex XV**.
430. For the purpose of section 429 of this Regulation, a person shall present or submit the same declaration to airport Customs at the time of departure and if a Customs official, on examination, finds discrepancy in the items as declared on arrival, applicable Customs duty at the prevailing market rate in Bhutan shall be levied on the missing articles or items.

Declaration

431. All arriving passengers shall be mandated to declare the contents of the baggage to Customs as per Air Passenger Declaration Form prescribed in **Annex XXXIV** or through other alternate options put in place by Customs or airport authorities.
432. All passengers including aircrew members shall be mandated to declare to Customs, currency exceeding the amounts as prescribed in the relevant foreign exchange regulation.
433. All departing passengers including aircrew members shall be mandated to declare the contents of their baggage, in particular any restricted goods along with the required permit, using the Air Passenger Declaration Form as prescribed in **Annex XXXIV** or through other alternate options put in place by Customs or airport authorities.

Assessment

434. A baggage of non-commercial nature and within the prescribed limit but exceeding the threshold value prescribed in **Annex XXXIII** of sections 414 and 428 of this Regulation attracts Customs duty on the exceeding value as follows, in case of:
- (1) single item, Customs duty and tax is levied directly on the exceeding value;
 - (2) more than one item, weighted average method as per sample exercise laid out in **Annex XXXV** is applied proportionate to the exceeding value against each item.
435. A traveler or the authorized agent or representative shall, for the purpose of levy of Customs duty, where applicable, declare baggage containing commercial goods using the forms and procedures laid down in chapter 12 of this Regulation.

Red and Green channel system and examination of baggage

436. A traveler shall use the red and green channels at the airport and submit their passenger declaration form to the Customs to facilitate clearance.
437. The use of green channel means that the traveler has nothing to declare and use of the red channel means that the traveler has goods to declare.

438. The Customs may stop a passenger passing through a green channel and inspect the baggage.
439. Any passenger using the green channel with dutiable goods beyond the duty-free allowance or prohibited and restricted goods is liable to fines and penalties and the baggage may be seized or confiscated.
440. A passenger shall assist the Customs in the examination of the baggage to expedite the clearance.
441. A passenger shall, upon request of the Customs, open the baggage and present it for examination.
442. The Department shall not be liable for any damage to a baggage that may occur during the examination, unless the damage was caused by gross negligence or a willful act on the part of the Customs.

Stores

Arrival and departure

443. Stores under section 98 of the Act, is applicable for foreign going scheduled and chartered flights arriving from and departing to destinations outside Bhutan.
444. A person in charge of an aircraft or the authorized agent or representative of foreign bound commercial or chartered flight shall, prior to arrival and prior to departure, keep detailed stock of the stores on board specifying the article, the number and quantity for each article.
445. A person in charge of an aircraft or the authorized agent or representative of foreign commercial or chartered flight arriving in Bhutan shall, prior to landing in Bhutan, close and seal stores on board and be available for inspection upon arrival.

Storage, delivery and removal of stores

446. Stores for delivery to foreign bound scheduled or chartered flight must be kept in a warehouse under Customs control and the warehouse operator shall comply with the requirements of Warehousing as per chapter 11 of the Act and chapter 14 of this Regulation.
447. A warehouse operator shall record in detail any stores delivered to or removed from foreign bound scheduled or chartered aircraft.
448. If the aircraft is undergoing maintenance or service, a person in charge or the authorized agent or representative of an incoming foreign aircraft shall remove stores on board and

store it in a warehouse under Customs control and the warehouse operator shall record the entry into the warehouse register.

Fuels and Lubricants for aircraft

449. An operator shall record in detail fuels or lubricants delivered to foreign bound, domestic scheduled aircraft and chartered aircraft.

Transfer of residence

Personal effects

450. A Bhutanese national residing abroad for more than 12 months, on a bona-fide transfer of residence to Bhutan, shall be allowed to import used personal household effects as a baggage or cargo as listed in **Annex VI**, and exemption of Customs duty shall be in accordance with chapter 8 of this Regulation.

451. Goods not listed in **Annex VI** and that are commercial in nature including exempted household effect shall be subject to Customs duty and the applicable Customs duty is assessed and levied on a depreciated value @ 20% per annum on straight line method.

452. An entitled person claiming benefits under transfer of residence shall be permitted to import only newly purchased motor vehicle in foreign country registered in the entitled person's name and is subject to levy of Customs duty on a depreciated value as in accordance with section 451 of this Regulation.

453. An entitled person shall declare to the Customs, at the time of first entry of goods or cargo into the country, all goods including personal household effects and motor vehicles imported into the country under transfer of residence status.

454. Non-compliance with section 453 of this Regulation is deemed an offence and shall be dealt in accordance with the relevant provisions of chapter 19 of the Act and chapter 24 of this Regulation.

455. A Bhutanese applying for Customs duty exemption on the basis of transfer of residence shall produce a proof of transfer of residence and other relevant documents as considered necessary by the Department.

456. In case of Bhutanese family residing abroad for longer than 12 months, one family member is entitled to the relevant concession under this chapter, unless it is proved to the satisfaction of the Department that the member of the family claiming these benefits was staying abroad independently and maintaining a separate residence.

Professional equipment

457. In case of bona-fide transfer of residence of a scientist, doctor, engineer or person engaged in any other professional, technical or specialized profession, the person concerned shall be allowed to import on the approval of the Department, free of Customs duty, such professional equipment that are directly required in their profession.

Baggage of deceased person

458. Notwithstanding chapter 16 of this Regulation, personal articles and household effects of a Bhutanese citizen who pass away abroad shall be allowed to be imported, free of Customs duty, if proved to the satisfaction of the Department that it is the bona-fide personal goods and effects of the deceased and approval is so accorded.

CHAPTER 17
IMPORT AND EXPORT BY POST AND COURIER SERVICES

Movement of goods through Foreign Post

Post office

459. All foreign post parcels including letters, documents and correspondence arriving in and going out of Bhutan by post office shall be forwarded to Bhutan Post under Customs control.

Declaration

460. A person or the post office, as the case may be, shall present to the Department for clearance of foreign post parcels exceeding duty free allowance provided in section 471 of this Regulation and such post parcels shall be accompanied by the standard Customs declaration Form prescribed in **Annex XXXVI and XXXVII** including such other documents as the Department may consider necessary.

461. A receiver or the authorized representative shall submit a Customs declaration.

Clearance by Customs

462. A post office shall not deliver or exchange through any post office, a foreign post parcel without completing the Customs clearance procedures and formalities.

463. The Department may, as considered necessary, examine a foreign post parcel.

464. Where foreign post parcel is selected for examination, the Department shall open in the presence of the receiver of the parcel, or in the presence of a representative of the post office.

465. The Department shall confiscate any prohibited item found in a parcel in accordance with sections 628 to 630 of this Regulation.

466. The Department shall detain or seize restricted items found in a parcel in accordance with sections 615 to 627 of this Regulation.

467. The Department shall carry out an assessment in accordance with chapter 18 of this Regulation.

468. Where the receiver is present during the examination and assessment, the Department shall collect applicable Customs duty from the receiver.

469. Notwithstanding section 466 of this Regulation, the Department shall mark foreign post parcel as “Examined by Customs” and return the same to the post office along with the assessment.
470. The post office shall remit to the Department all applicable Customs duty collected from the receiver.

Duty free allowance for foreign post parcels

471. The Department shall exempt customs duty on import of any goods through foreign post parcel as gifts up to an invoice value of Nu. 3,000 provided that:
- (1) such parcel does not contain alcohol, alcoholic beverages or any prohibited or restricted goods;
 - (2) such parcel is sent to an individual;
 - (3) sender and the receiver are separate individuals;
 - (4) sender and the receiver prove that they know each other; and
 - (5) such parcel contains only goods of personal use and the quantity of goods imported is not commercial in nature.
472. For gifts exceeding the duty free allowance, Customs duty is collected on the exceeding value as specified hereunder, in case of:
- (1) single item, Customs duty is levied directly on the exceeding value;
 - (2) more than one item, weighted average method as per sample exercise laid out in **Annex XXXV** is applied proportionate to the exceeding value against each item.

Prohibitions and Restriction

473. All import and export of foreign post parcel shall be in accordance with the Universal Postal Union convention.
474. Notwithstanding section 473 of this Regulation, the provision under chapter 6 of this Regulation applies to all import and export of foreign post parcels.

Special provisions to export items by Post

475. Any export made as foreign post parcel through a post office shall be in accordance with chapter 12 of this Regulation.
476. Any export through post office is subject to Customs control and parcel selected may be opened for physical examination.

477. A post office on accepting goods as parcel for export shall ensure that the parcel has Customs declaration form in accordance with **Annex XXXVI** and **XXXVII** attached to the parcel.

Undelivered Parcel

478. Where foreign post parcel cleared by Customs is not delivered to the addressee for any reason, Post office shall not dispose the parcel without approval of the Customs, unless the same is being returned to the sender in normal course in accordance with postal regulations.

479. Bhutan Post shall maintain a separate register for undelivered and returned foreign post parcel.

Movement of Goods through Courier Services

Categories of goods imported by Courier Services

480. All import or export of goods through courier shall be presented separately in identifiable Courier company bags, with appropriate labels, indicating the following:

- (1) documents;
- (2) free gifts;
- (3) samples;
- (4) dutiable or commercial goods.

Goods to be presented for Assessment

481. An authorized courier shall, at the entry point, present and declare for examination and assessment all imported goods through land or air to the Department.

482. The Department may, for items under sections 480 (1) and (2) of this Regulation, approve the declaration and clear the goods based on the manifest.

483. For items under section 480 (3) of this Regulation, Customs duty is collected in accordance with section 136 to 138 of this Regulation.

484. Where courier fulfils conditions laid down in section 490 of this Regulation and the courier is not selected by the Department for examination, such courier shall automatically be released for delivery.

485. All other goods imported under section 480 (4) of this Regulation is cleared in accordance with chapter 11 and 12 of this Regulation.

486. The Department shall carry out assessment under chapter 18 of this Regulation and collect Customs duty from the person concerned or Courier Company.

487. The Department shall confiscate any prohibited item found in a parcel in accordance with sections 628 to 630 of this Regulation.

488. The Department shall detain or seize restricted items found in a parcel in accordance with sections 615 to 627 of this Regulation.

Disposal of un-cleared Cargo

489. The Department may, through public auction or tendered in accordance with section 653 to 657 of this Regulation, dispose off cargo which is not cleared within 90 working days after the date of arrival.

Customs Duty allowance for Goods Imported by Courier

490. The Department shall exempt Customs duty on import of goods through courier as gifts up to an invoice value of Nu. 3,000 provided that:

- (1) such parcel does not contain alcohol, alcoholic beverages or any prohibited or restricted goods;
- (2) such parcel is sent to a private individual;
- (3) sender and the receiver are separate individuals;
- (4) sender and the receiver prove that they know each other; and
- (5) such parcel contains only goods of personal use and the quantity of goods imported is not commercial in nature.

491. For gifts exceeding the duty free allowance, Customs duty is collected in accordance with section 472 of this Regulation.

Export items moving by Courier Services

492. An export made through courier shall be in accordance with the export procedures laid down in the Act and this Regulation.

493. A courier operator shall, on accepting goods for export, ensure that the goods are accompanied by export declaration form duly approved by the Department.

E-commerce

494. Provisions laid down for foreign post parcel and courier services under this Regulation is applicable *mutatis mutandis* to goods purchased through e-commerce and in such cases, the duty free allowance value is limited to Nu. 3,000.

CHAPTER 18
ASSESSMENT, DEMAND AND RECOVERY

Assessment

495. A person importing or exporting goods shall pay Customs duty at the Customs Station in Bhutan.
496. The Department shall assess and levy Customs duty on the Customs value determined under the methods prescribed in chapter 5 of this Regulation.
497. The Department shall apply Customs duty rates in accordance with the Bhutan Trade Classification, Customs Tariff and Sales Tax Schedule in force.

Self-assessment

498. For the purpose of section 102 of the Act, the procedures for self-assessment is as follows:
- (1) a person permitted to self-assess Custom duty shall file declaration and ensure that such declaration is made in accordance with section 70 of this Regulation and the Bhutan Trade Classification, Customs Tariff and Sales Tax Schedule;
 - (2) Customs declaration must clearly specify that the person is using the right to self-assess the declaration as specified in **Annex XVI, XVII and XVIII**;
 - (3) a person shall pay the applicable Customs duty, if any, and produce proof of such payment along with other relevant documents to the Department for inspection.
499. Declarations based on self-assessment are subject to risk assessment and compliance record maintained by the Department.
500. Where self-assessment is accepted, the Department may permit the consignment to be moved to the authorized premises of the person.
501. Where self-assessment violates the provisions of the Act and this Regulation, the Department shall reject a declaration and invoke necessary penal provisions.
502. The Department may conduct risk-based Post Clearance Audit on goods released on self-assessment basis.

Provisional assessment

503. The Department may direct or accept provisional assessment, where:
- (1) a person is unable to make self-assessment under section 102 of the Act and makes a written request to the Department for provisional assessment;
 - (2) a person fails to produce required documents or information and the Department considers it necessary to make further enquiry;

- (3) a person has produced required documents or information but the Department considers it necessary to make further enquiry;
- (4) goods are of perishable or hazardous in nature and requires to be brought under specific storage facilities to avoid deterioration; or
- (5) the Department finds it necessary to take sample of goods imported or export goods to undergo any chemical or other test.

504. On submission of the security deposit equivalent to an amount of applicable Customs duty, the Department shall release the goods provisionally assessed.
505. The Department may extend the facility for provisional assessment without security deposit to authorized compliant traders under chapter 13 of this Regulation.
506. Where goods are released on basis of provisional assessment, the Department shall complete the final assessment within 30 working days or any extended time period.
507. The Department shall, on completion of the final assessment, adjust the Customs duty payable or refundable against the security deposit.

Application dates for rate of Customs duty

508. A rate of Customs duty on imported or export goods is the rate in force on the day the Customs declaration is accepted by the Department.
509. A rate of Customs duty on goods imported through baggage or post parcel is the rate in force on the date of payment of Customs duty in accordance with section 107 of the Act.
510. A rate of Customs duty for goods released on the basis of self-assessment is the rate in force on the day the self-assessed declaration is accepted by the Department.
511. A rate of Customs duty for goods released on the basis of provisional assessment is the rate in force on the day the provisionally assessed declaration is accepted by the Department.
512. A rate of Customs duty for warehoused goods is the rate in force on the day the declaration is accepted by the Department.
513. Notwithstanding sections 508 to 512 of this Regulation, a rate of Customs duty applicable for advance declaration is the rate in force on the day the goods enter Customs Station in Bhutan.

Reassessment

514. Customs duty is reassessed:

- (1) when an appeal by a person is successful and an appeal committee directs the Department to reassess;
- (2) when the Department, at the time of post clearance audit finds that the assessment of Customs duty is levied incorrectly;
- (3) if on subsequent examination of goods or documents, the declaration is found to be untrue; or
- (4) when the Department under section 108 of the Act, considers it necessary.

Demand for Customs duty

515. Where Customs duty is not levied, or short levied, or wrongly refunded or interest payable is not paid under section 108 of the Act, the Department shall issue a written demand notice to the person concerned within five years from the date of final assessment or from the date of importation, as the case may be.
516. For the purpose of section 515 of this Regulation, the demand notice must clearly refer to the assessment or documents and state the reason for the demand.
517. Where a case of collusion, fraud, willful misstatement or suppression of facts is detected, then the time limit specified in section 515 of this Regulation is not applicable.

Maintenance of revolving account

518. Pursuant to section 186 of the Act, the Department may allow a person to operate a revolving account to facilitate the clearance of goods and collection of Customs duty.
519. For the purpose of section 518 of this Regulation, a person shall make a written application to the Department.
520. For the purpose of section 519 of this Regulation, the Department may approve an application based on the compliance record of the applicant.
521. The Department shall maintain records for each revolving account and provide statement of the account, as and when required.
522. An account holder shall be responsible to maintain sufficient funds in the revolving account to avoid delay in the clearance process.
523. Upon completion of the clearance process, the Department shall issue an adjustment note to the person concerned or to the representative.
524. The Customs duty adjusted under section 518 of this Regulation shall be deposited in the Government revenue account.

Mode of recoveries

525. In order to recover dues, the Department shall apply recovery measures laid out under section 111 of the Act.
526. The Department may, prior to applying the recovery measures as specified under section 111 of the Act, recover the dues by:
- (1) entering into an agreement with the person for payments of any dues in installments;
 - (2) executing bond or security by the person; or
 - (3) adjusting the amount which may be due to the person.
527. Where payment on installment is agreed, 24% penal interest per annum shall be applied till the date of first installment and in the event of default of installment, the penal interest shall be calculated on the balance amount until the final payment.
528. The Department may temporarily freeze an import, export or transit goods of a person in default or delinquent person.
529. In the event of failure to recover an amount from the person in default or delinquent person under section 528 of this Regulation, the Department may permanently freeze the person's import, export or transit goods after obtaining a court order.

Restraints on assets

530. Where Department fails to recover Customs duty, fees and charges under sections 525 to 529 of this Regulation, it shall restrain the person from disposing off an asset by issuing a restraining order.
531. The Department shall not place any restraint on assets or properties that may have prior interest by way of mortgage, lease, hypothecation or by operation of any other law in force.
532. In the event a person acts contrary to the restraining order issued under section 531 of this Regulation, the Department may dispose of the asset through public auction.

Transfer, closure or winding up of a business

533. In case of transfer, closure or winding up of a business, a registered person of an entity shall be subject to the outstanding claims on account of Customs duty in accordance with the relevant laws of the country.
534. In case of transfer, closure or winding up of a business, the registered person of an entity shall obtain tax clearance certificate from the Department, failing which the said entity is liable to pay any outstanding Customs duty.

CHAPTER 19

REFUND

Applicability of refund

535. Refund under section 113 of the Act, is applicable, when:

- (1) an exempt person or organization has paid Customs duty, fees or charges;
- (2) a non-exempt person has paid Customs duty, fees or charges for imports made on behalf of exempted person;
- (3) there is an excess or wrongly or erroneously levied Customs duty, fees or charges paid;
- (4) order or decision of the disputes settlement committee, appeal committee, appellate board or court judgment results in reduction of Customs duty, fees or charges payable.

Conditions for refund

536. The Department shall refund Customs duty, fees or charges paid at the point of entry on fulfillment of the following conditions:

- (1) only to the extent of what is granted by way of exemptions, excess deposit, decisions or judgments;
- (2) application for refund is correctly filled, duly sealed and signed by the exempt organization and the person as per the form prescribed in **Annex XXXVIII**;
- (3) there is no outstanding Customs duty, fines, penalties or interest against the applicant.

537. When Customs duty, fees and charges is paid in advance at the time of import, the Department shall refund the payment so made to the exempt person on fulfillment of following conditions:

- (1) application for refund of Customs duty, fees and charges is submitted to the Department in accordance with **Annex XXXVIII**;
- (2) refund claim is made by the exempt person for the goods specified in the exemption certificate;
- (3) refund claims is processed through the concerned Regional Office where the Customs duty, fees or charges is paid.

Time period for refund claim

538. The time period for filing application for refund and the time period for refunding the claim must be in accordance with section 115 and 116 of the Act, respectively.

Documents required for refund

539. A claimant shall submit a refund claims supported by the following documents:

- (1) duly filled **Annex XXXVIII**;

- (2) copy of issued import declaration form;
- (3) original revenue receipt or advanced adjustment voucher or computer generated money receipt;
- (4) copy of invoices or cash memos; and
- (5) original exemption certificate, in case of third country import.

540. The concerned Regional office shall verify an application and proceed with the refund in accordance with chapter 15 of the Act.

541. A claimant shall be liable for applicable bank charges on cheque re-issued by the Department on account of cheque lost by the claimant.

CHAPTER 20
POST CLEARANCE VERIFICATION AND AUDIT

Post clearance verification

542. The Department may, after release of the goods on the application of risk management, select declarations and supporting documents for a post-clearance verification to authenticate the accuracy of the particulars contained in the declaration and the assessment made thereof.
543. For the purpose of section 542 of this Regulation, post-clearance verification must be carried out at the Customs Station.
544. An importer, exporter or an authorized person shall, on the request of the Department, furnish documents related to the import or export as considered necessary to conduct the post-clearance verification.
545. Where a verification of declaration indicates that the provisions governing the Customs procedure is applied on the basis of incorrect or incomplete information, the Department shall take necessary measures to reassess the declaration in accordance with the provisions of the Act.
546. An importer, exporter or an authorized person shall provide all necessary assistance to the Department to conduct the post clearance verification.

Post Clearance Audit (PCA)

Legal Authority

547. In execution of the power conferred by section 117 of the Act, the Department shall conduct Post Clearance Audit on any person.
548. The Department may, on the basis of the books of accounts or any other information that may be related to the business, demand any person to furnish information regarding Customs duty.
549. A person shall, on written demand, produce documentary proof of duties paid on goods or services, or furnish any information that may be required by the Department.
550. An officer of the Department not below the rank of Assistant Collector shall have the right to inspect business premises and exhibits of a person.
551. The Department may, on the basis of a petition from a person or on obtaining additional information on a person, carry out reassessment.

Objective

552. PCA is conducted to assure that a person subject to Customs controls complies fully with all relevant legislation and requirement and also to:

- (1) facilitate trade with minimum intervention at the entry and exit point in Bhutan;
- (2) ensure accuracy of a declaration made to the Department;
- (3) increase compliance with all relevant and applicable laws and regulations;
- (4) correct discrepancies in Customs declaration;
- (5) protect revenue leakages;
- (6) ensure that a person maintains proper books of account;
- (7) ensure effectiveness in Customs control.

Scope of PCA

553. PCA may be extended to conduct audit on:

- (1) importers and exporters registered for PCA;
- (2) authorized compliant traders or low risk traders;
- (3) other parties involved in import and export transactions;
- (4) Warehouse Operators; or
- (5) such person as the Department may consider necessary.

Selection and prioritization of potential auditees

554. The Department shall, based on the result of risk and compliance assessment, prioritize potential auditee to be audited first.

Annual Audit Plan

555. The Department shall, using risk and compliance assessment, draw up an annual Audit plan and select a person for PCA at their premises.

556. A PCA must review and verify accuracy of particulars contained in Customs declaration and the assessments made thereof over a period of time not exceeding five years.

557. A PCA focuses on specific Customs issues such as classification, valuation, origin or any other matter of particular concern to the Department.

Pre-audit Survey

558. A pre-audit survey is a preliminary or preparatory examination of an auditee profile and information initiated in Customs office, prior to a field audit.

559. A pre-audit survey shall:

- (1) identify possible and questionable risks in auditee declaration for the past certain period through analysis of information available; and

- (2) discuss and plan the conduct of field audit and examine identified risks, prior to the audit.

Advance Notification

560. The Department shall, in advance, serve notice to the selected auditee informing the following:

- (1) audit schedule;
- (2) numbers of officials involved;
- (3) documents to be audited.

561. If it is apparent that additional time will be required, the Department shall immediately provide an auditee a further estimate of such additional time.

Background questionnaire

562. The Department may, depending on the size of the business and location of an auditee premises, request data or information of the auditee via a background questionnaire and such a questionnaire may include gathering data regarding:

- (1) corporate organization and structure;
- (2) commodity information;
- (3) methods of payment;
- (4) value of commodities;
- (5) costs associated with commodities;
- (6) detailed product-cost information/submissions for analysis;
- (7) related-party transactions; and
- (8) record-keeping systems.

Opening or Entry Conference

563. An audit team shall, at the beginning of a field audit, hold a meeting with an auditee to discuss administrative matters necessary for conducting the audit and the auditee must be represented by a senior member and ensure a high level of cooperation.

Overview Examination

564. An Auditor may, to facilitate documentary examination and enhance effectiveness in getting an outline of the auditee business, conduct oral interview with representatives of the auditee.

Audit recording and report

565. An auditor or audit team shall record all audit activities and securely maintain relevant documents required for the audit and notes taken thereto.

566. An auditor shall issue receipts for documents received and samples taken for classification purposes.

567. An auditor shall, after completion of an audit, summarize the findings and prepare an audit report reflecting all aspects of the audit, including the inspection of the premises, results of physical checks and review of working papers.

Termination of audit

568. Where the Department uncovers possible offences and directs a formal investigation to be initiated, the audit shall stand terminated and no exit conference will be held.

Exit conference

569. An audit team shall, prior to compilation of the final audit reports, hold an exit conference with the auditee to present the findings and provide opportunity for the auditee to put forth justifications.

Preparation of Final Report

570. An auditor shall, within 15 working days from the date of exit conference, prepare a final report and provide a copy of such report to the concerned auditee outlining the details of the findings and also inform the auditee of the right to appeal.

571. An auditee shall, within the time set by the auditor in the final report, respond in writing to the Department indicating the action taken or intended to take as a result of the audit.

CHAPTER 21

ADVANCE RULINGS

Scope

572. For the purpose of this Regulation, advance ruling may be issued on the Classification of goods in accordance with Bhutan Trade Classification relating to import and export of goods.

Application

573. An applicant shall submit to the Department an application for advance ruling in the form prescribed in **Annex XXXIX**.

Issuance

574. The Department shall, to the extent possible, issue an advance ruling in the form prescribed in **Annex XXXX** within 90 working days from the receipt of an application and inform the applicant about the right of appeal and seek confirmation or clarification on the ruling.

575. An applicant shall, in addition to any other associated cost, pay applicable fees as follows:

- (1) a base fee of Ngultrum 500 to a maximum of 10 commodities;
- (2) additional fee of Ngultrum 100 per commodity that exceeds the maximum limit of 10 commodities.

576. An advance ruling does not come into effect, if:

- (1) information on which the ruling was passed is not correct in all material respects; or
- (2) a material change has occurred in any information or facts on which it was made.

577. The Department may decline to make an advance ruling on the following grounds:

- (1) information furnished is insufficient;
- (2) in the absence of conclusive evidence provided in support of the contentions in an application;
- (3) the issue raised in the application is pending before any government agency, appellate tribunal or court; or
- (4) the issue is decided by the appellate tribunal or court.

Validity

578. An advance ruling with respect to the matters set forth in the ruling for import and export of commodity is binding upon the Department and the applicant from the date of issuance of the ruling.

579. An advance ruling passed is valid for a period of two years from the date of issuance of the ruling.
580. An advance ruling passed for a particular applicant shall be equally and uniformly applicable to other importers and exporters involved in import and export of identical goods.
581. An advance ruling is not applicable to import and export made prior to the date of issue of advance ruling.
582. An advance ruling ceases to have effect:
- (1) from the date on which advance ruling ceases to be correct in all material respect;
 - (2) from the date of a material change in any of the information or facts on which the advance ruling was passed;
 - (3) from the date of a material change to the Bhutan Trade Classification, or to any applicable regulations made under the Act;
 - (4) from the date on which any of the conditions to which the advance ruling passed cease to be met or complied with;
 - (5) on the date of expiry of two years from the date of notice of the advance ruling is given to an applicant; or
 - (6) if a ruling is appealed by a person other than the applicant and the appeal is successful in favor of the appellant.

Revise, Modify or Revoke

583. The Department shall, upon a written request from a concerned person or on its own motion, review an advance ruling or a decision and accordingly revise, modify or revoke such ruling.
584. If the Department declines a request to review an advance ruling, or annuls or revokes on its own motion a previously-issued advance ruling, the person concerned shall be given adequate opportunity to be heard within 30 working days from the date on which the notification is issued.
585. The Department shall render a written decision to revise, modify or revoke an advance ruling containing the following details:
- (1) full name and address of the advance ruling holder;
 - (2) advance ruling reference number;
 - (3) advance ruling issued details;
 - (4) justification for revision, revocation and modification.
586. The Department shall revise, modify or revoke an advance ruling in the form prescribed in **Annex XXXXI**.

CHAPTER 22
BOOKS, ACCOUNTS AND RECORD KEEPING

587. For the purpose of this Regulation, sections 119 to 122 of the Act are applicable on Books, Accounts and Record Keeping.
588. The Department may, as considered necessary, formulate and develop relevant manuals or guidelines for proper implementation of this chapter.

CHAPTER 23

POWER OF CUSTOMS

Authority to inspect

589. The head of Customs shall issue an order for inspection beyond Customs Station.
590. Notwithstanding section 589 of this Regulation, no inspection order shall be required if there is reasonable cause to believe that there is eminent risk of disposing or destroying evidences of dutiable, non-dutiable, restricted or prohibited goods or documents.
591. A person shall be informed on completion of an inspection conducted and provide details of the inspection team.
592. The head of an inspection team shall submit a report on the findings of the inspection to the head of the Department or head of the Regional Office, as the case may be.

Authority to investigate

593. The head of the Department or head of the Regional Office may, if necessary, order an investigation for the following purposes:
- (1) smuggling of goods into and out of Bhutan;
 - (2) fabricating and furnishing false information or document to Customs;
 - (3) take additional evidence or witness;
 - (4) clarify the cause of inconsistency in the statement;
 - (5) hold scientific, technical or expert opinion;
 - (6) any action contrary to Customs Act and this Regulation;
 - (7) perform any other functions, which are legally justified by the case.
594. The Department shall consider an investigation report as confidential and protect it from unauthorized disclosure.
595. The Department shall refer offences investigated by Customs to the relevant agencies for prosecution, if considered necessary.

Authority to search

596. The Department shall be authorized to conduct search without warrant as follows:
- (1) search of goods under section 123 of the Act;
 - (2) search of a person under section 124 of the Act;
 - (3) search of goods inside body under section 126 of the Act;
 - (4) search of premises under section 128 of the Act;
 - (5) search of a conveyance under section 129 of the Act.

Authority to search a person

597. If the Department suspects that a person has concealed goods, it shall have the power to search and inspect a person:

- (1) coming from abroad and going abroad;
- (2) on aircraft under Customs control;
- (3) embarking to and disembarking from aircrafts;
- (4) working in Customs territories; and
- (5) entering and exiting Customs Station or Areas for various purposes.

598. A person shall be informed of the ground of search under section 597 of this Regulation.

599. Minors under the age of 18 years shall be searched and inspected in the presence of:

- (1) a guardian;
- (2) a person whose care the minor is under; or
- (3) an authorized personnel of government institution working to protect the rights of children.

Search of goods inside body

600. A person may, as considered necessary by the Department under section 126 of the Act, be searched inside the body.

601. Search under section 600 of this Regulation shall be conducted by a competent person authorized by a relevant government authority to conduct such search.

602. The Department or concerned authority shall designate or identify an appropriate place to conduct search inside the body.

Search of premises and conveyance

603. The Department shall conduct search of premises and conveyance in accordance with sections 127, 128 and 129 of the Act.

604. The Department may, for search of premises, include relevant law enforcement agencies or stakeholders as part of the search team.

Search warrant

605. For the purpose of search of premises under section 127 of the Act, the Department shall obtain a search warrant from the nearest court having jurisdiction.

606. A search warrant for premises shall be executed in accordance with the Civil and Criminal Procedure Code of Bhutan 2001.

607. An Officer executing a search warrant shall:
- (1) announce that the person to carry out the search is a Customs officer;
 - (2) show a search warrant;
 - (3) inform the person of the rights under section 140 of the Act.
608. If the Department pursuant to section 607 of this Regulation is refused entry after identification as an agent of the law, the Department may use reasonable force to break into premises.
609. A seizure made, if any, during search shall be dealt in accordance with the provisions of the Act and this Regulation.

Power to detain person, goods, documents and conveyance

610. Detention of person, goods, documents and conveyances shall be in accordance with section 130 (1) to (4) of the Act.
611. The Department shall first detain goods, documents and conveyances prior to seizure and confiscation, except in case of prohibited goods.

Detention of person

612. A person detained shall be issued a detention memo in accordance with **Annex XXXXII** containing the following information:
- (1) personal details of the person detained;
 - (2) reason for detention;
 - (3) place where the detainee is to be taken;
 - (4) rights laid out under section 140 of the Act; and
 - (5) if the detainee needs to be transferred to another place for investigation purpose, the detainee shall be informed of such transfer accordingly.
613. A person detained under this Regulation shall, within 24 hours of the detention, be:
- (1) produced before the courts in collaboration with the concerned authority or agency;
 - (2) released on execution of a security or furnish a guarantor with the condition that the person shall report to specific Customs Station on a specific date;
 - (3) released unconditionally, if evidence does not support charges against the person.
614. 24 hours detention period under section 613 (1) of this Regulation is exclusive of the time necessary for the journey from the place of arrest and the Government holidays.

Detention of goods, documents and conveyance

615. The Department shall, in accordance with **Annex XXXXII**, issue detention memo for

goods, documents and conveyance detained indicating the reasons for detention.

616. The Department shall raise detention memo in the presence of a person or the authorized representative of the person.
617. Where the custody of detained goods, documents and conveyance is with the person or the authorized representative, the person shall furnish to the Department security deposit equivalent to applicable Customs duty, fees and charges including fines and penalties, if any.
618. A person or the authorized representative of the person shall have ownership of the goods, documents and conveyance detained.
619. A person or the authorized representative of the person shall sign an undertaking that the person shall not dispose off or destroy the goods, documents and conveyance without prior permission of the Department.
620. If the custody is with the Department, detained goods, documents and conveyance shall not be kept for more than 20 working days from the date of detention.
621. Goods, documents and conveyance detained may be dealt in following manner:
 - (1) if the Department is satisfied with the documentary evidence and information gathered or furnished by the person indicates compliance with the provisions of the Act and this Regulation, the goods, documents and conveyance detained may be released under normal Customs procedure;
 - (2) detained goods, documents and conveyance may be assessed or re-assessed based on the results of the examination or inspection of the goods or documents and information received;
 - (3) if Department requires further investigation in accordance with section 132 of the Act, the detained goods, documents and conveyance may be seized;
 - (4) liable for confiscation, if in violation of sections 136 to 138 of the Act.

Seizure of goods, documents and conveyance

622. The Department shall seize goods, documents and conveyance in accordance with section 132 of the Act.
623. The Department shall issue a seizure memo prescribed in **Annex XXXXII** and indicate the ground or reasons for seizure.
624. The Department shall seize goods, documents and conveyance in the presence of a person or the authorized representative of the person in accordance with section 135 of the Act.
625. The Department shall give a copy of the seizure memo to the person from whom goods,

documents and conveyance is seized or to the person or the authorized representative of the person.

626. The Department shall provide decision on the seizure within 10 working days from the date of seizure.

627. Seized goods, documents and conveyance may be dealt as follows:

- (1) goods may be released under normal Customs procedure with levy of applicable fine and penalty in accordance with the provisions of the Act and this Regulation;
- (2) confiscate the goods, documents and conveyance, if the fine or penalty is not paid within the time period set by the Department;
- (3) confiscate the goods, documents and conveyance, if the person or the authorized representative of the person is in violation of sections 136 to 138 of the Act;
- (4) confiscate or release the goods, documents and conveyance considering the decision of the appeal committee, appeal board or court order.

Confiscation of goods, documents and conveyances

628. The Department shall confiscate goods, documents and conveyances in accordance with sections 136 to 138 of the Act.

629. The Department shall issue confiscation memo in accordance with **Annex XXXXII** indicating the reason for confiscation and such memo shall be raised in the presence of person or the authorized representative of the person.

630. The Department shall give a copy of the confiscation memo to the person from whom goods is confiscated or to the authorized representative of the person.

Detention or Seizure expenses

631. For the purpose of this Regulation, expenses resulting from detention and seizure shall be dealt in accordance with section 139 of the Act.

Power to summon

632. The Department may issue summon order under section 141 of the Act.

633. A summon order shall be issued under the seal and signature of the Department in accordance with **Annex XXXXIII**.

634. A person who fails to comply with the summon order shall be considered to have committed an offence and is dealt in accordance with section 638 (6) and (7) of this Regulation.

635. The Department may seek assistance of relevant authorities or agencies to summon person, if necessary.

CHAPTER 24 OFFENCES AND FINES

Offences

636. The Department shall impose fines on following offences:

- (1) Customs offence;
- (2) Administrative offence.

Customs Offence

637. In addition to the amount of Customs duty, a fine of 50 percent of the value of the goods evaded is imposed for violation of section 143 (1) to (9) of the Act.

Administrative offence

638. A fine of Ngultrum 5000 is imposed, if a person or person in-charge fails to:

- (1) maintain proper books of accounts;
- (2) submit reports and provide information when demanded by the Department;
- (3) submit passenger and cargo manifest in accordance with sections 211, 215, 218 and 219 of this Regulation;
- (4) enter into a designated Customs Station;
- (5) stop without reasonable excuse, when so directed by the Department;
- (6) cooperate with the Department;
- (7) comply with government notifications, circulars and conditions laid down under the Act or this Regulation.

639. If a clearing and forwarding agent or courier service agent fails to fulfill any obligation as required under this Regulation, the Department shall impose a fine of Ngultrum 10,000.

640. Second time offence under section 638 and 639 of this Regulation attracts a fine of Ngultrum 20,000 and the fine is enhanced to Ngultrum 100,000 in the case of third offence.

Criminal Offence

641. If a person commits any criminal offence under section 146 (1) to (8) of the Act, such person shall be dealt in accordance with section 147 of the Act and be liable as per the Penal Code of Bhutan.

CHAPTER 25
SETTLEMENT OF DISPUTES AND APPEALS

General dispute settlement and appeal

642. Settlement of disputes and appeals is governed by sections 148 to 172 of the Act.

General appeal conditions

643. An appeal by an appellant and decision passed by any three tier committee shall be in writing and must include detail case description, justification and other required information.
644. The time period for filing an appeal and rendering a decision is governed by sections 160 to 168 of the Act.
645. The three tier committee shall admit an appeal only upon payment of undisputed part of the Customs duty by an appellant to the concerned regional office.
646. An appellant may attach copies of necessary documents and proof or evidence to facilitate the committee's decision, if required.
647. All committee's shall, on receipt of an appeal, record in the register with proper details, date, address, ground of appeal and appeal registration number, and if an appeal is not exhaustive, additional information shall be sought as considered necessary.
648. An appellant shall furnish additional information under section 647 of this Regulation within 30 working days from the date of request.
649. The committee at all three tier may establish a docketing system for all dispute settlement to ensure proper recording, inventory, accounting, monitoring, filing, and publication.
650. The committee shall, as considered necessary, prepare a report on an appeal containing information such as details of the appellant, nature of appeal, amount of appeal, ground of appeal, case history and reference to relevant provisions of the Act or this Regulation.
651. The committee at every three tier shall, within 7 working days from the date of the appeal meeting, inform an appellant of such meeting.

Waiver of fines and penalties

652. In accordance with section 171 of the Act, a committee at all levels shall have the power to waive-off fines and penalties as follows:

- (1) dispute Settlement Committee at the regional offices may waive-off fines and penalties upto a maximum limit of Ngultrum 200,000; and
- (2) the Appeal Committee of the head office and Appeal Board of the Ministry may waive-off fines and penalties in part or in whole.

CHAPTER 26

DISPOSAL OF CONFISCATED GOODS

Disposal of confiscated goods

653. If goods are restricted and prohibited under the relevant laws, the Department may hand over the confiscated goods to relevant authorities in accordance with section 173 of the Act.
654. If a relevant authority does not take over the confiscated goods under section 653 of this Regulation, then the goods shall be disposed off by the auction committee in an appropriate manner.
655. Upon completion of the administrative formalities, confiscated goods shall be disposed off through public auction or tender in accordance with section 174 of the Act.
656. Notwithstanding section 655 of this Regulation, the Department through its Departmental committee shall, considering minimum reserved value, dispose off all low value items that are not worthwhile to be put in public auction.
657. The concerned regional office or the Department shall for the purpose of auction or tender of the confiscated goods, ensure proper coordination with all relevant stakeholders and inform head office in writing with details of the auction or tender.

Auction Committee

658. The auction committee comprise following members:
- (1) Head of the Department or regional office who shall be the chairperson of the auction committee;
 - (2) two officers of the Department;
 - (3) one representatives from other relevant government agencies; and
 - (4) one representative from other relevant agency or organization.
659. The quorum of the auction committee consists of two third of the total membership.

Power of the auction committee

660. The auction committee shall have the following powers:
- (1) to fix and approve the reserved value for the goods to be auctioned;
 - (2) to approve the terms and conditions of the auction;
 - (3) any other authority or power as notified by the Department.

Disposal of perishable goods and live animals

661. The Department shall, as considered necessary, dispose off perishable goods and live animals expediently in accordance with section 175 of the Act.
662. The head of the regional office shall have the authority to dispose of perishable goods within 48 hours of confiscation.
663. Where the perishable goods concerns other relevant agencies, the Department may hand over confiscated goods to the relevant agency or auction the goods in consultation and coordination with the relevant agency.
664. The Department may refer disposal of live animals to the relevant agencies.

Sale proceed for disposal of the confiscated goods

665. An agency responsible for the disposal of confiscated goods shall deposit the sale proceeds in the Government revenue account except for abandoned goods, which shall be dealt in accordance with section 666 of this Regulation.

Sale proceed for disposal of abandoned goods

666. If goods are abandoned under section 140 of this Regulation, the sale proceed of the auctioned goods is dealt in the following manner and order of priority:
- (1) payment of cost and expenses incurred by the Department including storing and freight charges shall be collected or deducted by the Department;
 - (2) payment of applicable Customs duty liable in respect of the auctioned goods shall be collected by the Department;
 - (3) the balance, if any, shall be paid to the person.
667. Section 666 of this Regulation is not applicable where a person intentionally abandons the goods, and such goods will be dealt in accordance with section 39 of the Act.

CHAPTER 27
MISCELLANEOUS

Overtime Fees

668. For clearance of goods for export, transit, post or import from India, a person availing the services of the Department beyond normal working hours and on public holidays shall be liable to pay overtime fees as per the rates prescribed in **Annex XXXXIV**:
669. For clearance of import and export of goods via air and import from countries other than India, a person or authorized agent or representative availing the service, shall pay overtime fees of Ngultrum 600 per hour on working days and public holidays.
670. Notwithstanding sections 668 and 669 of this Regulation, the services availed for clearance of goods for export beyond 10:00 pm to 6:00 am is liable for overtime fees of Ngultrum 600 per hour.
671. For the purpose of sections 669 and 670 of this Regulation, a minimum chargeable hour for overtime service fee is one hour and only services exceeding 30 minutes shall qualify as one hour.
672. A person requiring the overtime service of the Department shall provide conveyance, where necessary.
673. Concerned regional office shall deposit overtime fees under this Regulation in its official account and disbursements shall be made to the concerned officials through such account.
674. If a person or authorized agent or representative requires Customs overtime services, a written request is to be submitted in advance to the head of Customs or the officer in-charge.
675. For the purpose of section 674 of this Regulation, the head of Customs or the officer in-charge shall ensure allocation of overtime work and responsibility to Customs officials in timely manner and maintain proper records of all overtime works.

Reward for informants

Informal informants

676. The Department shall accept information provided by informal informants that are genuine and results in seizure or confiscation of goods.
677. For the purpose of section 674 of this Regulation, informal informants may, with the approval of the head of regional office, be eligible for reward under section 681 of this Regulation.

Formal informants

678. The Department shall register a formal informant and maintain proper records of the registered informants.
679. Records maintained on formal informants under section 676 of this Regulation are considered highly confidential or classified.
680. A registered formal informant with the Department shall be eligible for reward in accordance with section 681 of this Regulation.
681. The head of regional office and head of Customs shall have access to the records and information regarding the formal informants.
682. The regional offices and the Department shall ensure proper coordination and exchange of information with formal informants.

Reward

683. An informant shall be rewarded on following basis:
- (1) in case of seizure, 20% of the fines and penalty value but not exceeding the limit of Ngultrum 200,000;
 - (2) in case of confiscation, 10% of the auctioned value but not exceeding the limit of Ngultrum 200,000;
 - (3) in case of prohibited goods, a lump-sum amount between Ngultrum 10,000 to Ngultrum 100,000.

Authority of Interpretation and Amendments

684. The interpretation of this regulation by the Department shall be final and binding.
685. The Ministry of Finance shall have the power to amend by way of addition, variation, or repeal the provisions of this Regulation.
686. The Department may formulate manuals or guidelines under this Regulation, where applicable.

Definition

687. In this Regulation, unless the context otherwise requires:

“**Act**” means the Customs Act of Bhutan 2017”

“**Certified Cheque**” is a cheque guaranteed and endorsed by a financial institution.

“Consumable” means items of consumable nature namely foodstuffs, medicines, liquor, cosmetics, toilet articles and tobacco products within the permissible limits as per relevant laws.

“Damage goods” means physical damage of goods wherein the goods is not fit to be used for the purpose meant for.

“Deteriorated goods” means reduction in quality of goods due to natural causes.

“Government” means the Royal Government of Bhutan.

“Ministry” means the Ministry of Finance, Royal Government of Bhutan.

“National Transit” means inland movement of goods from one Customs Station to another Customs Station in Bhutan.

“Personal and house hold effect” means items contained in Annex VI.

“Pilfered goods” means goods stolen in small quantities.

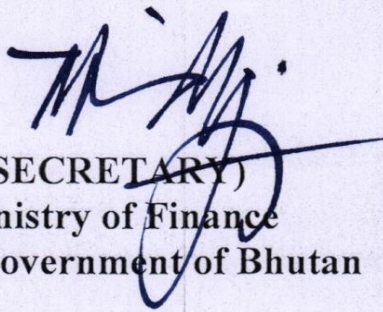
“Private warehouse” means a Customs warehouse reserved for the warehousing of goods by the warehouse operator without payment of Customs duty.

“Public warehouse” means a warehouse available for use by any person for the warehousing of goods without payment of Customs duty.

“Temporary storage of goods” means the storing of goods under Customs control premises and enclosed or unenclosed spaces approved by the Customs pending lodgment of the Goods declaration.

“this Regulation” means the Customs Rules and Regulations 2017.

Made this on the 9th Day of 11th month of the Fire Female Bird Year
corresponding to 27th Day of the 12th month (December) of 2017



(SECRETARY)
Ministry of Finance
Royal Government of Bhutan

ANNEXES

ANNEX I: DESIGNATED CUSTOMS STATIONS AND AREAS

The following are the designated Customs stations through which goods may be imported or exported or transit to and from Bhutan:

District or Dzongkhag	Office Name and Sub-District/ Dzongkhag	Name of Customs Station	Seasonal office or check-post	Trade with countries other than India	Import from India	Export	Remarks & Status
Chhukha	Regional Revenue and Customs Office (RRCO), Phuentsholing	Phuentsholing	No	Yes	Yes	Yes	
		Rinchending	No	N/A	N/A	N/A	Interior check post
		Raidak	No	N/A	N/A	N/A	Interior check post
		Lamoizingkha	Yes	No	Yes	Yes	Kalikhola Jurisdiction
Samtse	RRCO, Samtse	Samtse	No	Yes	Yes	Yes	
		Gomtu	No	No	Yes	Yes	
		Pugli	No	No	Yes	Yes	
		Bindu	No	No	Yes	Yes	
		Tashijong	No	No	Yes	Yes	
		Jitti	No	No	Yes	Yes	
		Hourey khola	Yes	No	No	Yes	
		Bhintar	Yes	No	Yes	Yes	
Sibsoo	N/A	N/A	N/A	N/A	N/A	Interior check post	
Paro	RRCO, Paro	Paro International Airport	No	Yes	Yes	Yes	
Sarpang	RRCO, Gelephu	Gelephu	No	Yes	Yes	Yes	
		Aie Bridge	N/A	N/A	N/A	N/A	Interior check post
		Sarpang	No	Yes	No		
		Ranibagan	No	?	No		Interior check post
		Chubarthang (Chishopanee)	No	No	No	No	Interior check post
		Bhutan Ghat	Yes	No	No		
		Panbang	Yes	No	Yes	Yes	
		Schechamthang (Sarpang)	No	No	No	No	Interior check post
Samdrup Jongkha	RRCO, Samdrup Jongkha	Samdrup Jongkha	No	Yes	Yes	Yes	
		Pinchinang	N/A	N/A	N/A	N/A	Interior check post
		Samdrupcholing (Bhangtar)	Yes	No	No	No	
		Rinchenthang (Nanglam)	No	Yes	Yes	Yes	
		Jomotshangkha (Daifam)	No	No	Yes	Yes	
		Phuntshorabtenling (Motanga)	No	Yes	Yes	Yes	
Thimphu	Thimphu	Foreign Post Parcel	No	Yes	Yes	Yes	
Mongar	Mongar	Customs Office					
Bumthang	Bumthang	Customs Office					

ANNEX II: APPLICATION FOR APPROVAL OF LOADING, UNLOADING OR TEMPORARY STORAGE PLACE



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

**APPLICATION FORM FOR
APPROVAL OF LOADING, UNLOADING OR TEMPORARY STORAGE PLACE.**

I, Mr./Ms./Dasho..... bearing citizenship identity number..... from(village) (gewog) underDungkhagDzongkhag;

hereby apply for an approval certificate of a new/make changes to an existing (please tick) place for loading / unloading / temporary storage (please tick) of goods under Customs control. In this regard, I provide the following particulars that are true and correct to the best of my knowledge:

1. Name and address of the organization/company/firm:.....
2. Name of the proprietor:.....
3. Nature of ownership (sole proprietorship or partnership or company).....
4. Name of the partner (in case of partnership).....
5. Trade licence/permit No.:.....Taxpayer No.:.....
6. Location of place and address:.....
7. Total storage capacity in square meters:.....
8. Registration number of place (in case of approval for change):.....
9. Detailed description of the place/of the changes (please specify) (please attach plans, sketches and photos of the place)

I/We declare that the information provided in this form and documents attached are true and correct to the best of my knowledge. In case the information's provided herein is found to be untrue and incorrect, I/We shall be held liable as per the applicable Act and Rules thereof.

Office address:
Telephone No.:
Fax. No.:
Email address:

Signature:
Name of the applicant in full:
Designation:

**ANNEX III: CERTIFICATE OF APPROVAL FOR A PLACE OF LOADING,
UNLOADING OR TEMPORARY STORAGE**



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

**CERTIFICATE OF APPROVAL OF A PLACE FOR LOADING / UNLOADING /
TEMPORARY STORAGE**

Registration No.....

Date:.....

The Regional Revenue & Customs Office, is pleased to approve the place described below of M/s(Name of the firm) having Trade licence No.....Taxpayer Number.....under the proprietorship of Mr/Mrs.....for the loading / unloading / temporary storage of goods under Customs control at(Geog, Dungkhag & Dzongkhag).

Description of the place:

Remarks:

Terms and conditions:

1. This approval is valid for the place and purposes specified under the certificate.
2. Approval certificate is not transferable.
3. Any change to the purpose specified under the designation certificate shall be reported to the concerned RRCO.
4. Any change in the designation due to transfer of ownership, change of location or winding up of the business shall be reported to the concerned RRCO not later than 30 days from the date of occurrence and a tax clearance certificate must be obtained.
5. In the event of the transfer of ownership or winding up of the business without the notice of the Department, the current owner shall be liable for any outstanding tax and duty.
6. The management shall abide by the provisions of Bhutan Customs Act-2017 or any other Government orders issued in relation to the activities mentioned in the certificate of registration from time to time.
7. Misuse of the designation shall be subject to fines and penalties under the Customs Act of Bhutan 2017.

Regional Director

RRCO

ANNEX IV: TEMPORARY STORAGE CHARGES APPLICABLE IF GOODS NOT CLEARED WITHIN 7 WORKING DAYS

[The rates prescribed below are in Ngultrum and are per day per package basis]

Small consignments of less than 500 Kilograms (Kgs)		Heavy consignments of more than 500 Kilograms (Kgs)		Vehicle	
Hazardous / Perishable	Non-hazardous / Non-perishable	Hazardous / Perishable	Non-hazardous / Non-perishable	Heavy	Light
40.00	20.00	200.00	100.00	200.00	100.00

ANNEX V: CATEGORIES OF RESTRICTED AND PROHIBITED GOODS

Sl. No.	Restricted Goods	Responsible Agencies	Legislation & International Conventions
1	Arms and ammunition	Royal Bhutan Police	<ul style="list-style-type: none"> ▪ Firearms and Ammunition Act of Bhutan 1990
2	Unmanned Aircraft System(UAS)/Drones	Bhutan Civil Aviation Authority	<ul style="list-style-type: none"> ▪ UAS Regulation 2017 ▪ MoHCA Notification Letter No. MoHCA/BLO(3)-1/3014 dated April 13, 2017
3	Explosives and explosive devices	Ministry of Home and Cultural Affairs	<ul style="list-style-type: none"> ▪ Explosive rules of 1989
4	Live animals and their products or byproducts	Ministry of Agriculture (Bhutan Agriculture and Food Regulatory Authority)	<ul style="list-style-type: none"> ▪ Livestock Act, 2001 ▪ CITES
5	Plant and plant materials	Ministry of Agriculture (Bhutan Agriculture and Food Regulatory Authority)	<ul style="list-style-type: none"> ▪ Plant Quarantine Act of 1993 ▪ Forest and Nature Conservation Act of 1995 ▪ Bio-diversity Act 2003 ▪ Bio-Safety Act 2015 ▪ International Plant Protection Convention ▪ International Treaty on Plant Genetic Resources for Food and Agriculture ▪ CITES ▪ Food Act 2005
6	Forestry products (flora and fauna) in accordance with	Ministry of Agriculture and Forestry (Department of Forest and Park Services)	<ul style="list-style-type: none"> ▪ Forest and nature conservation Act of 1995 ▪ Bio-diversity Act 2003 ▪ International Plant protection Convention
7	Industrial and toxic wastes and residues	National Environment Commission	<ul style="list-style-type: none"> ▪ National Environment Protection Act 2007 ▪ Basel Convention
8	Wireless and remote sensing telecommunication and broadcasting equipment	Ministry of Information and Communications (Bhutan Information and Communication Media Authority)	<ul style="list-style-type: none"> ▪ Bhutan Information Communications and Media Act, 2006”
9	Scraps as notified by the National Environment Commission Secretariat	National Environment Commission	<ul style="list-style-type: none"> ▪ Regulation on Import of Third Countries Goods ▪ Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal
10	Used or second hand goods, vehicles, machinery and equipment	Ministry of Economic Affairs	<ul style="list-style-type: none"> ▪ Regulation on Import of Third Countries Goods ▪ Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal ▪ National Environment Protection Act 2007
11	Medicinal products including narcotics and psychotropic substances for medical use	Drug Regulatory Authority/BNCA	<ul style="list-style-type: none"> ▪ Medicine Act 2003 ▪ Narcotic Drugs, Psychotropic Substances & Substance Abuse Act of Bhutan, 2015
12	Other Narcotics and psychotropic substances and precursors	Bhutan Narcotic Control Agency (BNCA)	<ul style="list-style-type: none"> ▪ Narcotic Drugs, Psychotropic Substances & Substance Abuse Act of Bhutan, 2015
13	Chemicals and Fertilizers	Ministry of Agriculture	<ul style="list-style-type: none"> ▪ Pesticide Act 2000
14	Plastic packing materials	Ministry of Economic Affairs	<ul style="list-style-type: none"> ▪ Department of Trade’s Letter Reference No. DTAT-17/2005/1325 dated 17/10/2005

Sl. No.	Restricted Goods	Responsible Agencies	Legislation & International Conventions
15	Gold and silver in excess of the duty-free baggage allowance	Royal Monetary Authority	<ul style="list-style-type: none"> ▪ Foreign Exchange Regulation 2013
16	Currency in excess of the prescribed limit	Royal Monetary Authority	<ul style="list-style-type: none"> ▪ Foreign Exchange Regulation 2013
17	Valuable Cultural Properties	Ministry of Home and Cultural Affairs	<ul style="list-style-type: none"> ▪ Movable Cultural Property Act, ▪ Convention on the Safeguarding of the Intangible Cultural Heritage
18	Ozone Depleting Substances (ODS)	National Environment Commission	<ul style="list-style-type: none"> ▪ Regulation on ODS ▪ Vienna Convention on the Protection of the Ozone Layer ▪ Montreal Protocol on Substances that Deplete the Ozone
19	Intellectual Property Right	Department of Intellectual Property	<ul style="list-style-type: none"> ▪ Copyright Act of Bhutan, 2001

Sl No	Prohibited Goods	Responsible Agencies	Legislation & International Conventions
1	Narcotics and psychotropic drugs and substances;	BNCA	
2	Pornographic materials;	Department of Trade, MoEA	
3	Animals and plants classified as endangered species and their parts and products;	Ministry of Agriculture and Forests	
4	Tobacco and tobacco products as prescribed in section 26 of the Tobacco Control Rules and Regulations	BNCA	

ANNEX VI: LIST OF HOUSEHOLD AND PERSONAL EFFECT ITEMS

Durable household and personal effects shall include the following:

- (a) Clothing
- (b) Furniture
- (c) Household and kitchen appliances
- (d) Television sets; video cassettes recorder; stereo set; camera; video camera; radio- 1 set of each
- (e) Refrigerator and freezer – 1 No. each
- (f) Oil or electric heater - 3 Nos.
- (g) Vacuum cleaner - 1 No.
- (h) Washing machine - 1 No.
- (i) Computer, other similar items or professional equipment and gadgets in quantities not exceeding one of each

ANNEX VII: EXEMPTION ELIGIBILITY AND CATEGORIZATION CERTIFICATION FORM FOR DIPLOMATIC MISSIONS, INTERNATIONAL AGENCIES AND THEIR EMPLOYEES AND MEMBER OF INTERNATIONAL VOLUNTARY ORGANIZATIONS



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

EXEMPTION APPLICANT DETAILS:

NAME:

DESIGNATION:

AGENCY:

**TYPE OF ORGANIZATION/
AGENCY (Please Tick)** **DIPLOMATIC MISSIONS:**

**INTERNATIONAL
ORGANIZATION:**

**INTERNATIONAL VOLUNTARY
ORGANIZATION:**

DATE OF APPOINTMENT:

DATE OF RELIEF:

**EXEMPTION FOR (Please
Tick)** **VEHICLE**

PERSONAL EFFECT

CONSUMABLE ITEMS

**RECOMMENDATION BY MINISTRY OF FOREIGN AFFAIRS,
ROYAL GOVERNMENT OF BHUTAN**
(With Official Name, Designation, Office, Date, Seal and Signature):

ANNEX VIII: APPLICATION FORM FOR CUSTOMS DUTY, SALES TAX AND GREEN TAX EXEMPTION ON IMPORT OF GOODS/COMMODITIES



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

Application for Sales Tax, Customs Duty and Green Tax Exemption on Goods & Commodities

[Please TICK where appropriate]

Sales Tax Exemption:	Customs Duty Exemption:	Green Tax Exemption:
----------------------	-------------------------	----------------------

1. Project Details:

Name:.....

Entity Code:.....

Type:.....

Address:.....

Phone/Fax No.:.....

Source of Funding:.....

2. Applicant Details:

Name:.....

Designation:.....

Organization:.....

Address :.....

Contact No.:.....

3. Type of Import/Purchases:

Equipment

Motor Vehicle

Raw Materials

Plant & Machinery

Personal Effects

General Goods and Commodities

Others:.....

4. Purpose of Import/Purchases:

Bhutanese Organization

Foreign Diplomatic Mission

International Organization

Privileged Personal/Individual

Manufacturing Unit

Service Unit

Project

Others:.....

5. Country of Origin of Goods:

India:.....

Third Country:.....

Entry Point to Bhutan:.....

6. Supplier Details:

Name:.....

Address:.....

Invoice No.....

Invoice Date:.....

7. Import/Purchase Details

SL. No	BTC Code	Commodity Description	Unit	Quantity	Currency	Value/Amount
Total						

**If required please use separate sheet in the same format.*

I/We declare that information given in this application and attached documents are true and correct to the best of my knowledge, and shall be exclusively for the purpose(s) stated above. In case the declaration is found to be untrue & incorrect, I/We shall be liable for fines, penalties & prosecution as per provisions of the Customs Act (**Not applicable for diplomatic officials**).

(Seal, Signature & Date)

(Name & Designation)

- i. Details of imports/purchases must be entered as per actual invoice/bills OR Performa invoice/bills.*
- ii. Following documents must be enclosed with name and signature of the applicant:*
- a. Two copies of bill(s)/invoice(s)*
 - b. Bill of Quantity (BOQ)*
 - c. Undertaking Note affixed with legal stamp must be enclosed*
 - d. Signature Declaration and Authorized Signature Declaration affixed with legal stamp*
 - e. Other relevant documents if necessary.*

FOR USE BY THE DEPARTMENT OF REVENUE & CUSTOMS, MINISTRY OF FINANCE

Please **TICK**:

Not Approved Approved

Name, Designation & Authorized Signature

ANNEX IX: IMPORT DUTY EXEMPTION CERTIFICATE



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

IMPORT DUTY EXEMPTION CERTIFICATE (IDEC)

IDEC No.

Date:

In exercise of the powers conferred under the Customs Act of Bhutan 2017 hereby exempts
.....
from the payment of Customs duty on the goods as described below:

Invoice No.

Date:

Sl. No.	BTC Code	Commodity Description	Unit	Qty	Value in Nu.	Import license No. & date (if any)
		Total				

Remarks:

Please note the following:

1. This exemption certificate must be produced by the importer at the point of clearance.
2. Bills/invoices of the import must be produced and entry formalities completed and endorsed by the Revenue and Customs authorities at the entry point.
3. This certificate is not transferable and shall be valid for a period of one year from the date of its issue.

Official seal

Signature of the issuing authority

Copy to:

1. The.....with reference to your Application No..... dated for information and necessary action.
2. The Regional Director, Regional Revenue & Customs Office,.....for information and necessary action

ANNEX X: APPLICATION FOR REGISTRATION TO ACT AS A CUSTOMS CLEARING AND FORWARDING OR COURIER SERVICES AGENT



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

APPLICATION FOR REGISTRATION TO ACT AS A CUSTOMS CLEARING AND FORWARDING AGENT OR COURIER SERVICE AGENT

To
The Director/Regional Director

Sir,
The undersigned hereby apply for the registration as a Customs Clearing agent. Details of my business are as follows:

Name & location of the Unit:
TPN No.

Business Address:

Phone Number

Fax Number:

Business Ownership:
(Tick the relevant Box)

<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Company
--	--------------------------------------	----------------------------------

Ownership Details:

Name
Citizenship ID Card
Address:
Phone & Fax Number:

Trade License Details:

License Number:
Date of Issue:
Name of License holder:

Nature of activity:

Description of goods being
Manufactured /dealt with

Name of the employees along with their qualification and specimen signature is attached
herewith.

I/we do solemnly affirm and declare that the above information is true and correct to the best of my
knowledge and belief.

Further, to the above statement, I/we declare that on being granted the registration
as _____ will abide by the procedures on collection, remittance and reporting
requirements as prescribed by the Department of Revenue & Customs which I/we shall be liable
for fines & penalties as per rules in force.

Signature -----

Name: -----

Date: -----

(Affix judicial Stamp)

FOR OFFICIAL USE

Please **TICK**:

Not Approved Approved

If approved, a registration Number is to be issued along with the procedures.

Signature & Seal of the Director/Regional Director.

ANNEX XI: AGREEMENT BETWEEN THE DEPARTMENT AND CUSTOMS CLEARING AND FORWARDING AGENT OR COURIER SERVICE AGENT



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

AGREEMENT BETWEEN THE DEPARTMENT AND CUSTOMS CLEARING AND FORWARDING AGENT OR COURIER SERVICE AGENT

This agreement is executed on _____ between the **Department of Revenue & Customs** □ or **Regional Revenue & Customs Office** □, _____(Location), Bhutan and M/s _____ **Clearing & Forwarding Agent (CFA) or Courier Service Agent (CSA)**, _____(Location) bearing trade license No. and CID No.....(Proprietor) under the following terms & conditions.

TERMS & CONDITIONS :-

- (a) Obtain an authorization from each of the consignees from whom it has been appointed to act as agent for clearance of goods through the Customs.
- (b) Advise his clients to comply with the provision of the Act and in case of non-compliance, shall bring the matter to the notice of the Customs authorities.
- (c) Not withhold information relating to assessment and clearance of imported goods communicated by any office of Customs from a client who is entitled to such information.
- (d) Not withhold any information relating to assessment and clearance of imported goods from the assessing officer.
- (e) Not procure or misuse any restricted information from the Department or any other office of the Royal Government.
- (f) Not attempt to influence the conduct of any official or Customs in any matter pending before such official or his subordinates by the use of threat, false execution, duress or offer or any special inducement or promise of advantage of by the bestowing of any gift or favor or other things of value.
- (g) Maintain proper records and accounts in such forms and manner as may be directed by the Customs authorities and submit them for inspection whenever required and not tamper with any official documents.

- (h) Ensure that all documents prepared or presented by him are strictly in accordance with the legal requirements and contain no false or misleading information.
- (i) Ensure that he discharges his duties as clearing agent with integrity and efficiency both to Customs and his client.
- (j) Enter into an agreement with the Department and comply strictly with the conditions laid down in it.
- (k) If the goods are pilfered, lost, damaged or abandoned while in transit to Bhutan, the Customs duty applicable shall be realized from the concerned clearing agent. In addition, any other liabilities payable to the Royal Government of Bhutan and the Government of India shall also be realized from them.
- (l) Any change in the terms of Trade and Commerce Agreement between the Royal Government of Bhutan and the Government of India may automatically entail a change likewise in the terms of these conditions.
- (m) The Clearing Agent shall pay applicable Customs duties, taxes, 0.25% Service charge on the CIF value of goods and other charge if any and furnish the following documents for release of goods from the Customs control.
 - i. Importer's copy of Import license.
 - ii. Bill of lading/airway bill.
 - iii. Invoice attested by the bank through which payment has been made.
 - iv. Packing list.
 - v. Certificate of Origin.
 - vi. Insurance policy documents.
 - vii. Import Duty Exemption Certificate and Bhutan Sales Tax Exemption Certificate wherever applicable; and
 - viii. Import declaration form duly filled up in all respects.

Where a Bhutanese Clearing Agent has appointed or authorized an Indian Clearing Agent having valid clearing agent licenses, the Bhutanese Agent is responsible for all acts of Indian Clearing Agents and also ensure that the Indian agent completes the following formalities.

- (a) A copy of the Agreement between their Indian counterparts is submitted to this office for record along with a copy of Indian Clearing Agent License.
- (b) Authorization for clearance of goods in India shall be issued by the Bhutanese Clearing Agents to the Indian Clearing Agent for each consignment.
- (c) The authorized Indian Clearing agent shall approach the Liaison and Transit Office, Kolkata (LTO) along with the original shipping documents, original import license and a letter of authorization issued by the Bhutanese Clearing Agent.
- (d) If the documents are found to be in order, the LTO or RRCO shall authorize the concerned clearing agent for clearance of goods.

- (e) The clearing agent shall keep the LTO or RRCO fully informed with regard to the progress in the clearance activities.
- (f) The clearing agent shall obtain the road documents from the LTO before the dispatch of the goods to Bhutan.
- (g) In case demurrages are incurred on goods, the same shall be directly settled by the clearing agent with the importer and the Department shall have no arbitration role in the dispute.
- (h) Wherever necessary, the clearing agent shall employ surveyors at port to conduct surveys on the goods before they are dispatched to Bhutan.
- (i) The clearing agent shall produce transit insurance documents to the LTO prior to the dispatch of the goods to Bhutan.
- (j) All goods, which are not of a full truck load, shall be deposited either in the Bhutan Customs warehouse or in the warehouse approved by the Customs authorities of India. The clearing agents, under no circumstances, shall be permitted to store any goods in other storage place. The storage charges shall be realized from the concerned clearing agents as per the rates given in Annex-I of the rules.
- (k) The clearing agent shall complete the cross border formalities with the Indian Customs Authority in keeping with the Protocol to the Trade and Commerce Agreement between Royal Government of Bhutan and the Government of India.
- (l) The clearing agent shall submit to the Liaison and Transit Office, Kolkata the road documents duly signed by the designated Customs Office in Bhutan and Indian Customs authorities within one month from the date of clearance from the Indian Customs.

Validity of agreement

The agreement shall be valid for the period of three years. On expiry of the validity period, the Department of Revenue and Customs, may, renew the agreement for a period of three years provided:

- i. The performance of the authorized Clearing and Forwarding Agent is found to be satisfactory.
- ii. The authorized Clearing and Forwarding Agent has not violated any of the obligation specified in the agreement.
- iii. Renew the bank guarantee for extended contract period.

Forfeiture of Security Deposit

Any violation of the above conditions or any provision of the Customs Act and Trade and Commerce Agreement shall lead to forfeiture of the security deposit, liability for payment of duties and taxes including fines and penalties by the agent as per Chapter 4 of the General provisions of the Bhutan Sales Tax, Customs and Excise Act, 2000.

De-registration/Cancellation

The Department may revoke the registration of an authorized Clearing Agent on any of the following grounds.

- a. Failure to comply with any of the provisions of the Act and these Rules and
- b. Miss-conduct which renders him unfit to act as clearing agents; Provided that no such revocation shall be made unless a notice has been issued to the authorized clearing agent informing him of the grounds.

Both the parties have mutually accepted the above conditions. Defaulters if any shall be penalized in accordance with the laws of the Kingdom. The Agreement is signed on this day in the presence of the following witness.

SIGNATURE:
 (Mr./Ms.)
 M/s

 Contact No:
 Address:.....

SIGNATURE;
 (Mr./Ms.)
 Regional Director
 DRC/RRCO, _____
 [OFFICIAL SEAL]

WITNESS of CFA/CSA:

(Mr/Ms.....)
 CID No:
 Address:

WITNESS of DRC/RRCO:

(Mr/Ms.....)
 CID No:
 Address:

ANNEX XII: CERTIFICATE OF REGISTRATION TO ACT AS A CUSTOMS CLEARING AND FORWARDING OR COURIER SERVICE AGENT



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

**CERTIFICATE OF REGISTRATION TO ACT
AS**

Registration No.:

Mr/Ms. _____ having a Trade License No. _____ is/are hereby authorized to transact business as a Customs Clearing agent/Courier Service. This registration will be valid for _____ years from the date of its issue.

It is a condition of this registration that in the case of a person or firm or company, the work shall be transacted only through the candidates holding passed and valid certificate of the exam conducted by the Department of Revenue & Customs. Any violation of the procedure shall be subject to fines and penalties and dealt in accordance with the Customs Act and the Regulations thereof and notifications issued from time to time.

Date of Issue:

Date of Renewal:

Signature of the Head of the Department.
Official seal

Terms and conditions:-

1. This registration is valid for the premise and purposes specified under the certificate.
2. Registration certificate is not transferable.
3. Any change to the purpose specified under the registration certificate shall be reported to the concerned RRCO.
4. Any change in the registration due to transfer of ownership, change of location or winding up of the business shall be reported to the concerned RRCO not later than 30 days from the date of occurrence and a tax clearance certificate must be obtained.
5. In the event of the transfer of ownership or winding up of the business without the notice of the Department, the current owner shall be liable for any outstanding tax and duty.
6. The management shall abide by the provisions of Bhutan Customs Act or any other Government orders issued in relation to the activities mentioned in the certificate of registration from time to time.

ANNEX XIII: AGREED ENTRY AND EXIT POINTS FOR TRADE WITH/THROUGH INDIA AS PER ARTICLE V OF THE PROTOCOL TO THE AGREEMENT ON TRADE, COMMERCE AND TRANSIT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE ROYAL GOVERNMENT OF BHUTAN

WITH REFERENCE TO ARTICLE V OF THE AGREEMENT, the following shall be exit/entry points in India for the imports into and exports from Bhutan for the duration of the Agreement:

- | | | |
|-----|--------------------|--|
| 1. | Jaigaon | - road route |
| 2. | Chamurchi | - road route |
| 3. | Ulta Pani | - road route |
| 4. | Hathisar (Gelephu) | - road route |
| 5. | Darranga | - road route |
| 6. | Kolkata | - air & sea route |
| 7. | Haldia | - sea route |
| 8. | Dhubri | - riverine route |
| 9. | Raxaul | - road & rail route |
| 10. | Panitanki | - road route |
| 11. | Changrabandh | - road route |
| 12. | New Delhi | - air route |
| 13. | Mumbai | - sea & air route |
| 14. | Chennai | - sea & air route |
| 15. | Phulbari | - road route |
| 16. | Dawki | - road route |
| 17. | Dalu | - road route for export & import of Bhutanese cargo from/to Bangladesh |
| 18. | Gasupara | - road route for export of Bhutanese cargo to Bangladesh |
| 19. | Loksan | - road route on a seasonal basis |
| 20. | Kulkuli | - road route on a seasonal basis |
| 21. | Nagarkata | - road route on a seasonal basis |
- These routes may be discontinued or new ones added by mutual agreement.
 - All exports and imports of Bhutan to and from countries other than India shall be effectively monitored and supervised by the Royal Government of Bhutan.

ANNEX XIV: ADVANCE PASSENGER INFORMATION (API) DATA REQUIREMENT

Flight details:

- (1) Flight Identification (IATA Airline code and flight number)
- (2) Scheduled Departure Date (Date of scheduled departure of aircraft based on local time of departure location)
- (3) Scheduled Departure Time (Time of scheduled departure of aircraft based on local time of departure location)
- (4) Scheduled Arrival Date (Date of scheduled arrival of aircraft based on local time of arrival location)
- (5) Scheduled Arrival Time (Time of scheduled arrival of aircraft based on local time of arrival location)
- (6) Last Place/Port of Call of Aircraft (Aircraft departed from this last foreign place/port of call to go to "place/port of aircraft initial arrival")
- (7) Place/Port of Aircraft Initial Arrival (Place/port in the country of destination where the aircraft arrives from the "last place/port of call of aircraft")
- (8) Subsequent Place/Port of Call within the country (Subsequent place/port of call within the country)
- (9) Number of Passengers (Total number of passengers on the flight)

Details for each passenger/crew on board:

- (10) Surname, first name and any middle names;
- (11) Date of birth;
- (12) Gender;
- (13) Citizenship or nationality;
- (14) Number, type and issuing state/organization of travel document (e.g. passport);
- (15) Seating Information (Specific seat assigned to the passenger for this flight)
- (16) Baggage Information (Number of checked bags, and where required, the baggage tag numbers associated with each)
- (17) Passenger Name Record Locator Number (or unique identifier), if any, and, in the case of a person in charge of the commercial conveyance or any other crew without a reservation record locator number, notification of their status as a crew; and
- (18) Additional information relating to the person in a reservation system.

ANNEX XV: DECLARATION FOR TEMPORARY ADMISSION OR RE-EXPORTATION (Applicable both for Air and Land)



**DEPARTMENT OF REVENUE & CUSTOMS
MINISTRY OF FINANCE
ROYAL GOVERNMENT OF BHUTAN**

DECLARATION FOR TEMPORARY ADMISSION RE-EXPORTATION

Entry Point: Entry Mode: Air Land Entry Date:
 Transporter/Airline: Vehicle/Flight No.: Consignment Note/AWB/Tag No.:
 No. of Packages: Gross Weight (Kg):
 Importer Type: Name of the Importer: TPN/AC/CC/ID/PP No.:
 Guarantor Name: Guarantor Address: Guarantor TPN/CID No.:
 Guarantor contact details: Guarantor email address:
 Invoice No.: Invoice Date: Invoice Value:
 Origin of Goods: Exporting country: Name of CFA/CSA (If any):
 Exit Point (Re-export): Exit Mode: Air Land
 Expected Exit Date (To be re-exported within 30 Days):
 Name the purpose of the goods being temporarily admitted into the country:

BTC Code	Commodity Description	Unit	Qty.	Assessable Value (FOB) in Nu	Assessable Value (CIF) in Nu.	Sales Tax		Green Tax		Customs Duty		Total Tax Amount (Nu.)
						Rate (%)	Amount	Rate (%)	Amount	Rate (%)	Amount	
	Total											

I/We declare that information given on this declaration and attached documents are true and correct. I/We shall also ensure that we fully comply with all the applicable provisions of the relevant laws of the country. In case the declaration is found to be untrue and incorrect or in breach of any laws of the country, I/We shall be held accountable/liable for fines, penalties, taxes and prosecution as per the laws of this country.

Signature of Importer/Agent/Guarantor:

Date:

OFFICIAL USE (With official seal, name & designation):

On Entry/Import: Temporary Registration done by:

Physical verification done by:

On Exit/Re-export: Permanent registration done by:

Physical verification done by:

Receipt No./Ref.:

Receipt Date:

ANNEX XVI: IMPORT DECLARATION FORM FOR IMPORTS FROM INDIA



DEPARTMENT OF REVENUE & CUSTOMS

MINISTRY OF FINANCE

ROYAL GOVERNMENT OF BHUTAN

IMPORT DECLARATION FOR IMPORTS FROM INDIA

Book No.:	Page No.:	Entry Point:	Entry Date:
Importer Type:	TPN/AC/CC/ID/PP No.:	Name of the Importer:	
BSTEC No.:	Date:		
To be Re-exported:	Not Later Than:	Has been Re-imported:	EDF No.:
Transporter/Airline:	Vehicle/Flight No.:	Consignment Note/AWB/Tag No.:	Date:
No. of Packages:	Gross Weight (Kg):	Market Source:	Supplier:
Invoice No.:	Invoice Date:	Invoice Value:	
Agent:	Entry No.:	W/H Entry No.:	Temp. Regn. No.:

BTC Code	Commodity Description	Unit	Qty.	Assessable Value (FOB) in Nu.	Sales Tax		Green Tax		Depot Surcharge		Excise/GST	
					Rate (%)	Amount	Rate (%)	Amount	Rate /Unit	Amount	Rate (%)	Amount
	Total											

Remarks:

I/We declare that information given on this declaration and attached documents are true and correct. In case the declaration is found to be untrue & incorrect, I/We shall be liable for fines, penalties & prosecution as per the Custom Act of Bhutan, 2017.

Signature of Importer/Agent:

Date:

Official Use

Temporary Registration done by:

Physical verification done by:

Permanent registration done by:

Receipt No./Ref.:

Receipt Date:

ANNEX XVII: IMPORT DECLARATION FORM FOR IMPORTS FROM THIRD COUNTRIES



**DEPARTMENT OF REVENUE & CUSTOMS
MINISTRY OF FINANCE
ROYAL GOVERNMENT OF BHUTAN**

IMPORT DECLARATION FOR IMPORTS FROM THIRD COUNTRIES

Book No.:	Page No.:	Import No.:	Entry Point:	Entry Date:
Importer Type:	TPN/AC/CC/ID/PP No.:	Name of the Importer:		
IL No.:	IL Date:	IDEC No.:		IDEC Date:
To be Re-exported:	Not Later Than:	Has been Re-imported:		EDF No.:
Transporter/Airline:	Vehicle/Flight No.:	Challan/AWB/Tag No.:		Date:
No. of Packages:	Gross Weight (Kg):	Supplier:	Country of consignment:	
Invoice No.:	Invoice Date:	Invoice CIF Value (Nu.):		Date:

BTC Code	Commodity Description	Unit	Qty.	Assessable Value (FOB) in Nu	Assessable Value (CIF) in Nu.	Sales Tax		Green Tax		Customs Duty		Total Tax
						Rate (%)	Amount	Rate (%)	Amount	Rate (%)	Amount	
	Total											

I/We declare that information given on this declaration and attached documents are true and correct. In case the declaration is found to be untrue & incorrect, I/We shall be liable for fines, penalties & prosecution as per the Custom Act of Bhutan, 2017.

Signature of Importer/Agent:

Date:

Official Use

Temporary Registration done by:

Physical verification done by:

Permanent registration done by:

Receipt No./Ref.:

Receipt Date:

ANNEX XVIII: EXPORT DECLARATION FORM



DEPARTMENT OF REVENUE & CUSTOMS

MINISTRY OF FINANCE ROYAL GOVERNMENT OF BHUTAN

EXPORT DECLARATION

Book No.: Page No.: Exit Point: Date of Export:
Exporter Type: BIC/AC/CC/ID/PP No.: Name of the Exporter:
Consignee: Country of Destination:
Export License No.: License Date: Certificate of Origin/GSP No.: Date:
To be Re-Imported: Not Later Than: Is being Re-exported: IDF No.:
Transporter/Airline: Vehicle/Flight No.: Challan/AWB/ No.: Date:
No. of Packages: Gross Weight (Kg):
Invoice No.: Invoice Date: Invoice Value:
Agent: Export Declaration No.: Temporary Registration No.:

BTC Code	Commodity Description	Unit	Qty.	FOB Value in Forex/INR	FOB Value in Nu.	Export Fee Rate	Export Fee Amount
	Total						

I/We declare that information given on this declaration and attached documents are true and correct. In case the declaration is found to be untrue & incorrect, I/We shall be liable for fines, penalties & prosecution as per the Custom Act of Bhutan, 2017.

Signature of Exporter/Agent:

Date:

Official Use

Physical verification done by:

Temporary Registration done by:

Permanent registration done by:

Receipt No./Ref.:

Receipt Date:

ANNEX XIX: TRANSIT DECLARATION FORM



DEPARTMENT OF REVENUE & CUSTOMS
MINISTRY OF FINANCE
ROYAL GOVERNMENT OF BHUTAN

TRANSIT DECLARATION

(Movement of goods including forestry products from Bhutan to Bhutan through Indian territories)

Book No.: Page No.: Agent: Declaration Entry No.:
Exit Point: Date of Exit: Entry Point: Date of Entry:
Transporter: Vehicle No.:
Challan No. Date No. of packages Gross Weight (Kg):

Consignor's name and Code	Consignee's name and code	Invoice No.	Date	Brief description of goods	Value in Nu./Rs.
			Total		

I/We declare that information given on this declaration and attached documents are true and correct. In case the declaration is found to be untrue & incorrect, I/We shall be liable for fines, penalties & prosecution as per the Custom Act of Bhutan, 2017.

Signature of Consignor/Driver: _____

Date: _____

Physical verification (At Exit Point in Bhutan)

Registration done by (At Exit Point)

Physical verification (At Entry Point in Bhutan)

Registration done by (At Entry Point)

(Undertaking to be signed by the Royal Bhutan Customs in case of goods of third country origin):

The consignment consists of goods of third country origin meant for consumption in Bhutan.

ANNEX XX: CUSTOMS DECLARATION ACCEPTANCE FORM



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

ACCEPTANCE OF CUSTOMS DECLARATION NOTICE

No.:

Date:

To.....

.....

.....

Dear Sir/Madam,

In exercising the power conferred by the applicable provisions of the Customs Act of Bhutan, 2017, this office acknowledge the receipt of your declaration for the goods as detailed below:

SI No	Importer ID	Consignment Country	Import No	Value of the Goods	Description of the goods

Customs declaration unless otherwise amended as per applicable provisions of the Customs Act of Bhutan, 2017, the declared goods shall be assessed using the Foreign exchange rate in force as noted below:

Foreign Currency Code and Amount	BTN

List of documents attached with the declaration:

.....

[OFFICIAL SEAL, NAME, DESIGNATION AND SIGNATURE]

ANNEX XXI: CUSTOMS PHYSICAL EXAMINATION REPORT



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

CUSTOMS PHYSICAL EXAMINATION REPORT

Date:

--	--	--	--	--	--	--	--

Importer/Exporter Name:

Import License No (Where applicable):

Date:

Import/Export Reference No:

Container Type: FCL HCL LCL

Sl. No.	Commodity Description	Unit	Quantity					Remarks
			As per Invoice	As per AGDF	Delivered	Short (-)	Excess (+)	

Importer/Exporter /Agent 1.	Physical verifier: 1. 2. 3.
---	--

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved	Officer In-charge	Remarks:
--	-------------------	-------------------------

ANNEX XXII: EXECUTION OF A SECURITY DEPOSIT OR BOND



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

EXECUTION OF A SECURITY DEPOSIT OR BOND

M/s or /I/We..... having registered office/residence at and bearing Tax Payer Number:..... OR CID Number.....hereinafter referred to as the Person and called surety (ies) (unless repugnant to the context or meaning thereof, include our/my heirs, successors, executors, administrators, liquidators, legal representatives and assignees) hereby hold and firmly bind ourselves/myself unto the Department of Revenue & Customs for a sum of Nu. (Ngultrum) for which payment to be well and truly made.

WHEREAS the Regional Director, Regional Revenue & Customs Office, having permitted to clear the goods detailed below without payment of applicable Customs duty and/or Taxes subject to such conditions and limitations as may be specified by the Department:

Sl. No.	Commodity Description	Quantity	Value (Nu.)	Duty (Nu.)	Sales Tax (Nu.)	Total Tax (Nu.)	Remarks

AND WHEREAS the person agreed to pay in full all Customs Duty and/or Taxes within days from the date of executing this Bond.

AND WHEREAS the Regional Director or such other delegated authority, as the case maybe, has required the person to produce Bank Guarantee/Security for the amount of this bond, the sum of Nu. (Ngultrum only) endorsed in favour of the Regional Director, Regional Revenue & Customs Office,

Following two conditions shall be applicable to the person in executing this bond

1. The person shall observe and comply with all the provisions of the Customs Act of Bhutan 2017.
2. The person shall pay on or before a date specified in the above Bond all Customs duty and/or Taxes on account of the said goods under the Customs Act of Bhutan 2017 and, Customs Rules and Regulation made thereof.

It is hereby declared that the Department through the Regional Director, RRCO, or any other Officer of Customs recover the sum due from the person as per the applicable provisions of the Customs Act of Bhutan 2017 and, Rules and Regulations 2017 thereof.

Provided always that the liability of the surety hereunder shall not be impaired or discharged by reason of any time being granted or any forbearance act or omission of the Department (whether with or without the knowledge or the consent of the surety) in respect of or in relation, to the obligation and conditions to be performed or discharged by the person nor shall it be necessary to sue the person before suing the surety for amount hereunder.

IN WITNESS WHEREOF these presents have been signed on this day of.....
20..... Hereinbefore written by the person and the surety(ies).

Place:

Date:

Signature of Person [Legal Stamp]
Name and Address with contact details

Witness: Name, Address & Signature with Contact details

Name, Address with Contact details & Signature of **Surety/Guarantor:**

[Legal Stamp]

FOR OFFICIAL USE:

ACCEPTED for and on behalf of the Director/Regional Director of the Department on
day of 20

Date:

Signature:

Name.....

Designation.....

Official Seal

OFFICE SEAL

ANNEX XXIII: SAMPLE MEMO



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

SAMPLE MEMO

Memo No.:

Date:

In exercise of the power conferred to the Department under Section 72 of the Customs Act of Bhutan, 2017, we hereby take the under mentioned commodities as samples for verification, testing and examination purpose.

Date:

Time:

Place:

Name & address in full of the owner of the sample:

Mode of transport:

Name & Designation of official(s):

Invoice No.:

Invoice Date:

Invoice Value:

BTC Code	Commodity Description	Unit	Qty	Assessed Value for BST	Assessed Value for CD	Sales Tax		Customs Duty		Green Tax		Total Payable Amount
						Rate	Amount	Rate	Amount	Rate	Amount	

Remarks:

Name:

Signature:

Owner/Representative

Name and Designation:

Signature:

Officer In-Charge

In the event of non-compliance, the above commodities shall be dealt as per provisions under the Custom Act of Bhutan 2017.

ANNEX XXIV: DECLARATION FOR RE-IMPORTATION (Applicable both for Air and Land)



**DEPARTMENT OF REVENUE & CUSTOMS
MINISTRY OF FINANCE
ROYAL GOVERNMENT OF BHUTAN**

DECLARATION FOR TEMPORARY EXPORTATION

Import Declaration No. (If applicable): _____ Import Registration/Entry Date: _____
 Exit/Export Point: _____ Exit/Export Mode: Air Land Entry Date: _____
 Transporter/Airline: _____ Vehicle/Flight No.: _____ Consignment Note/AWB/Tag No.: _____
 No. of Packages: _____ Gross Weight (Kg): _____
 Importer/Exporter Type: _____ Name of the Importer/Exporter: _____ TPN/AC/CC/ID/PP No.: _____
 Invoice No.: _____ Invoice Date: _____ Invoice Value: _____
 Origin of Goods: _____ Export country: _____ Name of CFA/CSA (If any): _____
 Entry Point (Re-import): _____ Entry Mode: Air Land _____
 Expected Entry Date (To be re-imported within 90 working days): _____
 Name the purpose of the goods being temporarily exported and to be re-imported: _____

BTC Code	Commodity Description	Unit	Qty.	Assessable Value (FOB) in Nu	Assessable Value (CIF) in Nu.	Sales Tax		Green Tax		Customs Duty		Total Tax Amt (Nu.)
						Rate (%)	Amt	Rate (%)	Amt	Rate (%)	Amt	
	Total											

I/We declare that information given on this declaration and attached documents are true and correct. I/We shall also ensure that we fully comply with all the applicable provisions of the relevant laws of the country. In case the declaration is found to be untrue and incorrect or in breach of any laws of the country, I/We shall be held accountable/liable for fines, penalties, taxes and prosecution as per the laws of this country.

Signature of Exporter/Importer/Agent/Guarantor: _____

Date: _____

OFFICIAL USE (With official seal, name & designation):

On Entry/Import: Temporary Registration done by: _____

Physical verification done by: _____

On Exit/Re-export: Permanent registration done by: _____

Physical verification done by: _____

Receipt No./Ref.: _____

Receipt Date: _____

ANNEX XXV: APPLICATION FORM FOR AN AUTHORIZED COMPLIANT TRADER (ACT) STATUS



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

AUTHORIZED COMPLIANT TRADER (ACT) APPLICATION

<p>1. Applicant (full name and address)</p> <p>Telephone/Mobile number:</p> <p>CID-Number:</p> <p>TPN Number:</p>	<p>FOR OFFICIAL USE:</p>
<p>2. Agent or Representative (full name and address)</p> <p>Telephone/Mobile number:</p> <p>CID-Number:</p> <p>TPN Number:</p>	<p>Important Note: By signing this application, the applicant accepts responsibility for the accuracy and completeness of the particulars given on this application form and on any supporting documents attached.</p> <hr/> <p>3. Reissue of Authorized Compliant Trader status To be completed if reissue of an ACT status is applied;</p> <p>ACT reference number:</p> <p>Valid from YYYY/MM/DD:</p>

6. Description of the goods

List all the commodities to be imported, including their classification code, country of origin and valuation method. Provide for each commodity a detailed description of the goods, incl. the precise composition of the goods, the manufacturer, the use of the goods, the usual trade name and, *(Please use a separate sheet, if more space is required)*.

<i>No.</i>	<i>Commodity name/brand name</i>	<i>BTC Code</i>	<i>Ctry of origin</i>	<i>Valuation method</i>
1				
Description of goods:				
2				
Description of goods:				
3				
Description of goods:				
4				
Description of goods:				
5				
Description of goods:				

8. Samples etc.

Please indicate which, if any, of the following are enclosed with your application.

Description Brochures Photographs Samples Other Please specify:

Do you wish your samples to be returned? Yes No

Costs incurred by the Department as a result of analysis, expert reports or the return of samples will be charged to the applicant.

9. Date and Signature

Your reference:

Date (YYYY/MM/DD):

Signature:

Full name of person signed:

FOR OFFICIAL USE

ANNEX XXVI: CERTIFICATE FOR AUTHORIZED COMPLIANT TRADER AUTHORIZATION



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

AUTHORIZED COMPLIANT TRADER CERTIFICATE

<p>1. Holder (full name and address)</p>	<p>2. ACT Reference:</p> <hr/> <p>Important Note: The holder is responsible to inform the Department of any changes that may affect the authorization. The Department will review the authorization from time to time and may amend or revoke the authorization, if necessary.</p>																																																							
<p>Authorization The holder is herewith authorized to declare his consignments under the Special Import Procedure as laid at in the Customs Act and the rules thereof and to receive his consignments directly in the designated areas of his premises.</p>	<p>3. Start date of validity (dd/mm/yyyy):</p> <hr/> <p>4. Date and reference of the application Date of application: (dd/mm/yyyy) Reference number:</p>																																																							
<p>5. Commodities allowed to be imported under the Special Import Procedure (use continuation sheets, if authorization applies to more commodities)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 5%;">No</th> <th style="width: 45%;">Commodity Description</th> <th style="width: 15%;">BTC Code</th> <th style="width: 20%;">Country of Origin</th> <th style="width: 15%;">Remarks</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>		No	Commodity Description	BTC Code	Country of Origin	Remarks																																																		
No	Commodity Description	BTC Code	Country of Origin	Remarks																																																				
<p>7. Designated area of the ACT's premises to receive and unload consignments</p>																																																								
<p>Place:</p>	<p>Name & Signature:</p>																																																							
<p>Date:</p>	<p>Legal Stamp</p>																																																							

ANNEX XXVII: NOTIFICATION TO SUSPEND OR REVOKE OR INVALIDATE AN ACT AUTHORIZATION



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

NOTIFICATION OF SUSPENSION OR REVOCATION OR INVALIDATION

1. Holder (full name and address) 	2. ACT Reference:
3. Latest date to reply (dd/mm/yyyy):	
4. Suspension/Revocation/Invalidation of an authorization The Department intends to suspend/revoke/invalidate the authorization issued on..... (dd/mm/yyyy) with reference number:..... You are herewith given the opportunity to express your opinion and to provide any documents and information that you may deem relevant to support your opinion.	
5. Justification of the intended suspension/revocation/invalidation: 	
Place: Date:	Name & Signature: Legal stamp

ANNEX XXVIII: APPLICATION FORM FOR REGISTRATION OF PRIVATE OR PUBLIC WAREHOUSE



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

APPLICATION FOR REGISTRATION OF PRIVATE OR PUBLIC WAREHOUSE

Name: Mr./Ms.....	CID No.:.....
TPN (If any).....	
Nature of Application: New: <input type="checkbox"/>	Renew: <input type="checkbox"/>
Types of Warehouse: Public : <input type="checkbox"/>	Private: <input type="checkbox"/>

Requirements:

SI No.	Requirements	Documents/Information's	Tick if Attached	For Official Use
1	Citizen Identity Card (CID)	Copy of CID		
2	Nature of ownership	1. Sole proprietor 2. Partnership		
3	Site location and address			
4	Storage capacity			
5	Detail description of the proposed warehouse facilities	With plans, design etc.		
6	Financial Solvency			
7	Any other supporting documents			

I/We declare that information given on this application and attached documents are true and correct. In case it is found to be untrue & incorrect, I/We shall be held liable for fines, penalties & prosecution as per the Custom Act of Bhutan, 2017.

Signature:

Date:

Name of the applicant in full:

Contact Address/Details:

ANNEX XXIX: CERTIFICATE OF REGISTRATION FOR PUBLIC OR PRIVATE WAREHOUSE



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

CERTIFICATE OF REGISTRATION FOR PUBLIC OR PRIVATE WAREHOUSE

Registration No.....

The Department is pleased to register M/s.....bearing trade license No.....and taxpayer no.....under the proprietorship of Mr/Ms.....to operate a public private warehouse atDungkhag.....Dzongkhag.....

Issue date:

Valid upto:

Terms and conditions:

1. This registration is valid for the premise and purposes specified under the certificate.
2. Registration certificate is not transferable.
3. Any change to the purpose specified under the registration certificate shall be reported to the Department.
4. Any change in the registration due to transfer of ownership, change of location or winding up of the business shall be reported to the concerned RRCO not later than 30 days from the date of occurrence and a tax clearance certificate must be obtained.
5. In the event of the transfer of ownership or winding up of the business without the notice of the Department, the current owner shall be liable for any outstanding tax and duty.
6. The management shall abide by the provisions of Customs Act of Bhutan 2017 or any other notifications or order issued in relation to the warehouse operation from time to time.
7. Misuse of registration shall be considered offense under Chapter 19 of Customs Act of Bhutan 2017.

OFFICIAL SEAL

SEAL AND SIGNATURE BY THE AUTHORIZED OFFICIAL

ANNEX XXX: AGREEMENT BETWEEN THE DEPARTMENT AND THE WAREHOUSE OPERATOR



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

AGREEMENT BETWEEN THE DEPARTMENT AND WAREHOUSE OPERATOR

I/We, Mr/Ms.holding trade license No:having registered with the Department of Revenue and Customs as warehouse operator shall hereby agree to abide by the following terms and conditions laid down by the Department of Revenue and Customs.

Terms and Conditions:

1. The warehouse premise shall be clearly marked as a Customs control area.
2. The goods stored in the warehouse shall remain under the custody of the owner of the warehouse.
3. Maintain a system of internal controls capable of detecting illegal or irregular transactions.
4. Proper maintenance of accounts and records.
5. Provide an all risk insurance policy, which includes natural calamities and fire, for a sum equivalent to the amount of duty involved on the dutiable goods proposed to be stored in the public or private warehouse at any point of time.
6. The owner of the warehouse shall be liable to pay customs duty, taxes and fines on goods, which are not accounted correctly or lost, or damaged, or destroyed.
7. The warehouse operator shall file with the Department a monthly return of the receipt, storage, operations and removal of the goods in the warehouse, within ten days after the close of the month to which such return relates.
8. Where the period specified in the Customs Rules and Regulations 2017 for warehousing of goods is expiring in a particular month, the operator shall furnish such information to the Department on or before the 10th day of the month immediately preceding the month of such expiry.
9. Any change in the approval due to transfer of ownership, change of location or winding up of the business shall be reported to the Department in writing not later than 30 days from the date of occurrence and a tax clearance certificate must be obtained.
10. In the event of the winding up of the business without the notice of the Department, the warehouse operator shall be liable for any outstanding duty, taxes and applicable charges.

Validity of Agreement

11. The agreement shall be valid for a period of three years. The operator may request renewal of the Registration Certificate before one month from the expiry date.
12. On expiry of the validity period, the Department of Revenue and Customs, may, renew the agreement for a period of three years provided:
 - a) The performance of the warehouse operator is found to be satisfactory;
 - b) Valid trade license;

- c) Compliance record;
- d) Tax clearance certificate;
- e) Valid Bank Guarantee, and
- f) No adverse record or criminal offence committed

Cancellation of Certificate of Registration

13. The Department shall cancel the Certificate of Registration in the following circumstances:

- a) Where the Certificate of Registration is already suspended and the holder fails to take the remedial measure to have the suspension withdrawn;
- b) Where the holder has committed serious infringement of Customs law and has no further right to appeal.

Discharge or Forfeiture of security

14. The security shall be discharged at the winding up of the warehouse operation provided there is no unsettled issue with the Department or any other relevant agencies.

15. The security shall be forfeited, where the warehouse operator breaches the provisions of this rule.

16. Where the forfeited security is less than the applicable duty, taxes, fines, penalties, fees and charges, the warehouse operator shall pay the additional amount.

**Seal, Name and signature
DRC**

**Name & Signature
Warehouse Operator**

**Name and signature
Witness**

**Name and signature
Witness**

**Date:
Place**

ANNEX XXXI: APPLICATION FOR ISSUANCE OF PERMIT FOR MOVEMENT OF GOODS FROM ONE WAREHOUSE TO ANOTHER



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

APPLICATION FOR ISSUANCE OF PERMIT FOR MOVEMENT OF GOODS FROM ONE WAREHOUSE TO ANOTHER

The Regional Director,
Regional Revenue & Customs Office,

Sir/Madam,

The under mentioned goods as per the description, quantity and value given below may kindly be permitted to be transferred from the Bonded warehouse bearing registration No. _____ located at _____ to the Bonded warehouse bearing registration No. _____ located at _____ through _____ by vehicle No. _____.

Sl. No.	Commodity Description	Unit	Quantity	Assessable Value (Nu.)	Remarks

I/We declare that information given on this application and attached documents (if any) are true and correct to the best of our knowledge. In case if it is found to be untrue and incorrect or goods lost or pilfered in transit or any offence committed intentionally, I/We shall be held liable for payment of duties, taxes, fines, penalties and subject to prosecution as per the Custom Act of Bhutan, 2017.

**Seal & Signature of the Owner/Agent
Name & Address**

ANNEX XXXII: ISSUANCE OF UNDERBOND PERMIT FOR MOVEMENT OF GOODS FROM ONE WAREHOUSE TO ANOTHER



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE & CUSTOMS**

**UNDERBOND PERMIT FOR MOVEMENT OF GOODS FROM ONE WAREHOUSE
TO ANOTHER**

Permit No.

Date:

The under mentioned goods as per the description, quantity and value given below are hereby permitted to be transferred from the Bonded warehouse bearing registration No.:_____ located at _____ to the Bonded warehouse bearing registration No.:_____ located at _____ through _____ by vehicle No._____.

Sl. No.	Commodity Description	Unit	Quantity	value	Remarks

In the event of goods being lost or pilfered in transit or any offence committed intentionally, the owner of the goods shall be held liable to pay duties, taxes, fines, penalties and may also be subject to prosecution as per the Custom Act of Bhutan, 2017.

Official seal

Signature of the Customs Official
Name:
Designation:
Contact Details:

ANNEX XXXIII: FREE BAGGAGE ALLOWANCE

FREE BAGGAGE ALLOWANCE FOR AIR PASSENGERS

The Bhutanese nationals or the non Bhutanese national residing in Bhutan, on their return to Bhutan from any country by air shall be allowed duty free baggage allowance as below:

Personal effects up to the assessed value of US\$ 1000 or equivalent in Ngultrum subject to the ceiling prescribed below:

- (a) Alcohol/Spirits – 2 bottles, each bottle not larger than one liter
- (b) Perfume: 1 bottle, not larger than 2 ounces
- (c) Gold (including jewellery) – 50 grams
- (d) Silver (including jewellery) – 1 kilogram
- (e) Clothing items: Maximum of 10 pieces each of type of clothing whether stitched or unstitched
- (f) Other household or personal goods including electronics and bedding shall be limited to one piece each.
- (g) Items of gifts and presents shall be included in the above free allowance.

Free baggage allowance for FOREIGN TOURIST shall be allowed as follows:

- (a) Used personal effects and articles reasonably required for the visit provided items imported are for personal use and shall be re-exported on leaving Bhutan.
- (b) Import free of Customs duty, articles up to Ngultrum 10,000/- or equivalent for personal use or as gifts and travel souvenirs if carried on the person or in the accompanied baggage, including spirit of not more than two liters and perfume of not more than 100 ml.
- (c) High value articles and sports items as approved and imported in reasonable quantities shall be considered under temporary admission considering that the articles or items are re-exported on leaving Bhutan.

ANNEX XXXIV: AIR PASSENGER DECLARATION FORM



DEPARTMENT OF REVENUE & CUSTOMS
MINISTRY OF FINANCE
ROYAL GOVERNMENT OF BHUTAN

CUSTOMS/IMMIGRATION AIR PASSENGERS DECLARATION FORM

PERSONAL INFORMATION (To be filled where applicable)

1. Tax Payer Number:	2. FULL Name:
3. Nationality:	4. Passport/Work Permit/CID No.:
5. Sex: MALE <input type="checkbox"/> FEMALE <input type="checkbox"/>	6. Occupation:
7. Country of Origin:	8. Type of Passenger: Bhutanese <input type="checkbox"/> Non-Bhutanese <input type="checkbox"/> CREW <input type="checkbox"/>
9. Contact No. (In/Outside Bhutan) & Email address (Optional):	10. Address of Stay In/Outside Bhutan (Final Destination):

TRAVEL INFORMATION

11. Port of embarkation:	12. Port of disembarkation:
13. Final travel destination:	14. Date of Arrival/Departure:
15. Flight No.:	16. Duration of stay:
17. Purpose of Visit/Travel In/outside Bhutan: Tourist <input type="checkbox"/> Official <input type="checkbox"/> Business Guest/Visit Friends/Relatives <input type="checkbox"/> Study <input type="checkbox"/> Employment <input type="checkbox"/> Conference/Meetings <input type="checkbox"/> OTHERS (Please specify):	

BAGGAGE DETAILS

18. Number of baggage's:

19. Any dutiable goods that is:

(1) *BEYOND THE FREE BAGGAGE ALLOWANCE (FBA - Please turn over for details); YES or NO (If YES, please declare to Customs. If NO, please pass through GREEN Channel)*

(2) *COMMERCIAL IN NATURE; YES or NO (If YES then FBA shall not be entitled & Please declare to Customs)*

(3) *RESTRICTED (Please turn over for details); YES or NO (If YES, please declare to Customs by ticking the YES box under the LIST OF RESTRICTED GOODS given at the back. If NO, please pass through GREEN Channel & need not fill or tick the list of restricted goods given at the back)*

20. Any off loaded or unaccompanied baggage's: **YES or NO**

If YES, TAG No. please: _____

I declare that the information provided above is true and correct, failing which I shall be dealt and held accountable as per the relevant laws of the country (Bhutan).

SIGNATURE

DAY

MONTH

YEAR

P.T.O

LIST OF RESTRICTED GOODS:

(Please tick Yes or No)

	Yes	No
i. Arms and Ammunitions	<input type="checkbox"/>	<input type="checkbox"/>
ii. Gold and Silver	<input type="checkbox"/>	<input type="checkbox"/>
iii. Narcotics and Psychotropic Substance	<input type="checkbox"/>	<input type="checkbox"/>
iv. Animal and their parts and products including food	<input type="checkbox"/>	<input type="checkbox"/>
v. Plants, their parts (seeds/fruits/flowers/shoots/roots/tissue) and products	<input type="checkbox"/>	<input type="checkbox"/>
vi. Agrochemicals	<input type="checkbox"/>	<input type="checkbox"/>
vii. Genetically Modified Organisms (GMOs) and their products	<input type="checkbox"/>	<input type="checkbox"/>
viii. Convertible currency exceeding US\$ 10,000/*BNIs or its equivalent	<input type="checkbox"/>	<input type="checkbox"/>
ix. Tobacco or Tobacco Products	<input type="checkbox"/>	<input type="checkbox"/>
x. Commercial Goods or Samples	<input type="checkbox"/>	<input type="checkbox"/>
xi. Goods meant for re-export	<input type="checkbox"/>	<input type="checkbox"/>
xii. Any other goods restricted/prohibited by other laws in force	<input type="checkbox"/>	<input type="checkbox"/>

FREE BAGGAGE ALLOWANCE FOR AIR PASSENGERS

Personal effects up to the assessed value of US\$ 1000 or equivalent in Ngultrum subject to the ceiling prescribed below:

- (a) Alcohol/Spirits – 2 bottles, each bottle not larger than one liter
- (b) Perfume: 1 bottle, not larger than 2 ounces
- (c) Gold (including jewellery) – 50 grams
- (d) Silver (including jewellery) – 1 kilogram
- (e) Clothing items: Maximum of 10 pieces each of type of clothing whether stitched or unstitched
- (f) Other household or personal goods including electronics and bedding shall be limited to one piece each.
- (g) Items of gifts and presents shall be included in the above free allowance.

Free baggage allowance for FOREIGN TOURIST shall be allowed as follows:

- (a) Used personal effects and articles reasonably required for the visit provided items imported are for personal use and shall be re-exported on leaving Bhutan.
- (b) Import free of Customs duty, articles up to Ngultrum 10,000/- or equivalent for personal use or as gifts and travel souvenirs if carried on the person or in the accompanied baggage, including spirit of not more than two liters and perfume of not more than 100 ml.
- (c) High value articles and sports items as approved and imported in reasonable quantities shall be considered under temporary admission considering that the articles or items are re-exported on leaving Bhutan.

ANNEX XXXV: SAMPLE EXERCISE ON COMPUTATION OF WEIGHTED AVERAGE MTEHOD (To be considered for illustration purpose only)

Commodity/Items /Articles	Unit	Quantity	Rate (Nu.)	Value (Nu.)	Proportionate Percentage (%)	Proportionate Value of the Exceeding Value (Nu.)	REMARKS
				[A]	$[E\%] = [A]/[B]*100$	$[D]*[E\%]$	
X1				10,000.00	11.76	2,352.94	Applicable duties and taxes to be levied on the exceeding value against respective proportionate value ascertained.
X2				30,000.00	35.29	7,058.82	
X3				20,000.00	23.53	4,705.88	
X4				5,000.00	5.88	1,176.47	
X5				20,000.00	23.53	4,705.88	
Total invoice value [B]				85,000.00	100.00	20,000.00	
Free Baggage Allowance limit [C]				65,000.00			
Exceeding Value [D] = [B]-[C]				20,000.00			

ANNEX XXXVI: CUSTOMS DECLARATION FORM CN-22AS PER UNIVERSAL POSTAL UNION CONVENTION FOR ALL FOREIGN POST PARCEL GOODS

CUSTOMS DECLARATION		May be opened officially		CN 22	
Designated operator				Important! See instructions on the back	
<input type="checkbox"/>	Gift	<input type="checkbox"/>	Commercial sample		
<input type="checkbox"/>	Documents	<input type="checkbox"/>	Other	Tick one or more boxes	
Quantity and detailed description of contents (1)		Weight (in kg)	Value (3)		
For commercial items only If known, HS tariff number (4) and country of origin of goods (5)		Total weight (in kg) (6)	Total value (7)		
I, the undersigned, whose name and address are given on the item, certify that the particulars given in this declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations					
Date and sender's signature (8)					

Letter Post, 24th Congress 2008, art RL 152.1 – Size 74 x 105 mm, white or green

CN 22 (Back)

Instructions

To accelerate customs clearance, fill in this form in English, French or in a language accepted by the destination country. If the value of the contents is over 300 SDR, you must use a CN 23 form. You **must** give the sender's full name and address on the front of the item.

(1) Give a detailed description, quantity and unit of measurement for each article, e.g. 2 men's cotton shirts, especially for articles subject to quarantine (plant, animal, food products, etc.).

(2), (3), (6) and (7) Give the weight and value of each article and the total weight and value of the item. Indicate the currency used, e.g. CHF for Swiss francs.

(4) and (5) The HS tariff number (6-digit) must be based on the Harmonized Commodity Description and Coding System developed by the World Customs Organization. Country of origin means the country where the goods originated, e.g. were produced, manufactured or assembled. It is recommended you supply this information and attach an invoice to the outside as this will assist Customs in processing the items.

(8) Your signature and the date confirm your liability for the item.

Note. – It is recommended that designated operators indicate the equivalent of 300 SDR in their national currency

ANNEX XXXVII: CUSTOMS DECLARATION FORM CN-23 AS PER UNIVERSAL POSTAL UNION CONVENTION FOR ALL FOREIGN POST PARCEL GOODS

(Designated operator)		CUSTOMS DECLARATION			CN 23	
From	Name		Sender's Customs reference (if any)	No. of item (barcode, if any)	May be opened officially	Important! See instructions on the back
	Business					
	Street					
	Postcode	City				
	Country					
To	Name		Importer's reference (if any) (tax code/WAT No./importer code) (optional)	Importer's telephone/fax/e-mail (if known)		
	Business					
	Street					
	Postcode	City				
	Country					
Detailed description of contents (1)		Quantity (2)	Net weight (in kg) (3)	Value (5)	For commercial items only	
					HS tariff number (7)	Country of origin of goods (8)
			Total gross weight (4)	Total value (5)	Postal charges/Fees (6)	
Category of item (10)		Commercial sample		Office of origin/Date of posting		
<input type="checkbox"/> Gift		Returned goods				
<input type="checkbox"/> Documents		Other				
Comments (11) (e.g.: goods subject to quarantine, sanitary/phytosanitary inspection or other restrictions)						
<input type="checkbox"/> Licence (12) No(s). of licence(s)		<input type="checkbox"/> Certificate (13) No(s). of certificate(s)		<input type="checkbox"/> Invoice (14) No. of invoice		Date and sender's signature (15)

Letter Post, 24th Congress 2008, art PL 152.3 – Size 210 x 148 mm

Instructions

You should attach this Customs declaration and accompanying documents securely to the outside of the item, preferably in an adhesive transparent envelope. If the declaration is not clearly visible on the outside, or if you prefer to enclose it inside the item, you must fix a label to the outside indicating the presence of a customs declaration.

To accelerate customs clearance, complete this declaration in English, French or in a language accepted in the destination country.

To clear your item, the Customs in the country of destination need to know exactly what the contents are. You must therefore complete your declaration fully and legibly; otherwise, delay and inconvenience may result for the addressee. A false or misleading declaration may lead to a fine or to seizure of the item.

Your goods may be subject to restrictions. It is your responsibility to enquire into import and export regulations (prohibitions, restrictions such as quarantine, pharmaceutical restrictions, etc.) and to find out what documents, if any (commercial invoice, certificate of origin, health certificate, licence, authorization for goods subject to quarantine (plant, animal, food products, etc.) are required in the destination country.

Commercial item means any goods exported/imported in the course of a business transaction, whether or not they are sold for money or exchanged.

- (1) Give a detailed description of each article in the item, e.g. "men's cotton shirts". General descriptions, e.g. "spare parts", "samples" or "food products" are not permitted.
- (2) Give the quantity of each article and the unit of measurement used.
- (3) and (4) Give the net weight of each article (in kg). Give the total weight of the item (in kg), including packaging, which corresponds to the weight used to calculate the postage.
- (5) and (6) Give the value of each article and the total, indicating the currency used (e.g. CHF for Swiss francs).
- (7) and (8) The HS tariff number (6-digit) must be based on the Harmonized Commodity Description and Coding System developed by the World Customs Organization. "Country of origin" means the country where the goods originated, e.g. were produced/manufactured or assembled. Senders of commercial items are advised to supply this information as it will assist Customs in processing the items.
- (9) Give the amount of postage paid to the Post for the item. Specify separately any other charges, e.g. insurance.
- (10) Tick the box or boxes specifying the category of item.
- (11) Provide details if the contents are subject to quarantine (plant, animal, food products, etc.) or other restrictions.
- (12), (13) and (14) If your item is accompanied by a licence or a certificate, tick the appropriate box and state the number. You should attach an invoice for all commercial items.
- (15) Your signature and the date confirm your liability for the item.

ANNEX XXXVIII: APPLICATION FORM FOR REFUND



**DEPARTMENT OF REVENUE & CUSTOMS
MINISTRY OF FINANCE
ROYAL GOVERNMENT OF BHUTAN**

APPLICATION FOR REFUND

Ref. No. _____

Date: _____

The Regional Director,
Regional Revenue and Customs Office,
.....

TO BE FILLED BY THE CLAIMANT

Name of the exempt organization or individual: _____

TPN/ Withholding agency code: _____

Address: _____

Contact Number: _____

Bank Account No. of the exempt organization or individual: _____

Account Holder Name: _____

Bank Name: _____

Refund details:

Sl No.	Name of withholding agency/Importer with TPN or agency code	Type of Refund	Refund Amount Claimed	Deposit MR No./Challan No	Remarks

*****Please use additional sheet using the same format, if required.

Documents required:

Income Tax refund	Sales Tax / Customs Duty/Green Tax refund	Non-tax revenue refund
<input type="checkbox"/> Original money receipt	<input type="checkbox"/> ORIGINAL revenue money receipt/computer generated-money receipt or advance adjustment voucher <input type="checkbox"/> Original IDEC <input type="checkbox"/> Declaration Form/Import Bill <input type="checkbox"/> Invoices/Bills	<input type="checkbox"/> Deposit MR No./Challan No

I/We hereby declare that information given in this declaration and attached documents are true and correct to the best of my/our knowledge. In case the declaration is found to be untrue or incorrect, I/We shall be liable for fines, penalties and prosecution including rejection of refund claim as per the relevant/applicable laws of the country.

(Signature of the applicant)
Affix a Legal Stamp

FOR OFFICIAL USE ONLY

Checklist

1. Verified the type, amount and eligibility of refund claimed
2. Relevant documents are attached as per the checklist
3. Confirmed that the taxes/duties are deposited with concerned RRCO
4. Confirmed that the claimant has no tax outstanding dues with the Department

Refund Statement

Total Refund Claimed	Refund Disallowed	Actual Refund Allowed	Remarks

Verified by:

Recommended by

Approved by:

Name
Designation
Sign & seal

Name
Designation
Sign & seal

Name
Designation
Sign & seal

ANNEX XXXIX: APPLICATION FORM FOR AN ADVANCE CLASSIFICATION RULING



**DEPARTMENT OF REVENUE & CUSTOMS
MINISTRY OF FINANCE
ROYAL GOVERNMENT OF BHUTAN**

APPLICATION FOR AN ADVANCE CLASSIFICATION RULING

<p>1. Applicant (full name and address)</p> <p>Contact number: Email address: CID-number:</p>	<p>FOR OFFICIAL USE:</p>
<p>2. Agent or Representative (full name and address)</p> <p>Contact number: Email address: CID-number:</p>	<p>Important Note: By signing this application, the applicant accepts responsibility for the accuracy and completeness of the particulars given on this application form and on any supporting documents attached.</p> <p>3. Re-issue of advance ruling To be completed if reissue of an advance ruling is applied AR reference number: Valid from YYYY/MM/DD: BTC code:</p>
<p>4. Type of transaction Does this application relates to an import/export actually envisaged? Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>5. Classification envisaged Please indicate where, in your view, the goods are classified. BTC Code:</p>
<p>6. Description of the goods Include, where necessary, the precise composition of the goods, the method of analysis used, the type of manufacturing process undergone, the value (including the components), the use of the goods, the usual trade name and, where appropriate, the packaging for retail sale in the case of sets of goods (<i>Please use a separate sheet, if more space is required</i>).</p>	

7. Commercial denomination and additional information:

(confidential)

Please indicate which of the information provided in accordance with box 8 of this application or obtained by the Department is to be treated as confidential:

8. Samples etc.

Please indicate which, if any, of the following are enclosed with your application.

Description Brochures Photographs Samples Other Please specify:

Do you wish your samples to be returned? Yes No

Costs incurred by the Department as a result of analysis, expert reports or the return of samples will be charged to the applicant.

9. Date and Signature

Your reference:

Date (YYYY/MM/DD):

Signature:

Full name of person signed:

FOR OFFICIAL USE:

ANNEX XXXX: ADVANCE CLASSIFICATION RULING APPROVAL FORM



**DEPARTMENT OF REVENUE & CUSTOMS
MINISTRY OF FINANCE
ROYAL GOVERNMENT OF BHUTAN**

APPROVAL FORM FOR ADVANCE CLASSIFICATION RULING

1. Holder (full name and address)	2. Advance Ruling Reference:
<p>Important Note: This advance ruling is valid for 2 years. The holder is responsible to inform the Department of any changes that may affect the advance ruling. The Department will review the advance ruling from time to time and may amend or revoke the advance ruling, if necessary.</p> <p><i>The holder has the right to appeal against this advance ruling.</i></p>	3. Start date of validity (dd/mm/yyyy):
	4. Date and reference of the application Date of application: (dd/mm/yyyy) Reference number:
	5. Classification of the goods BTC Code:
6. Description of the goods	
7. Commercial denomination and additional information (confidential)	
8. Justification of the classification	
<p>9. This advance ruling has been issued based on the following material provided by the applicant Description <input type="checkbox"/> Brochures <input type="checkbox"/> Photographs <input type="checkbox"/> Samples <input type="checkbox"/> Other <input type="checkbox"/> Please specify:</p> <p>Place: Name, Designation, Seal & Signature:</p> <p>Date: Legal stamp</p>	

ANNEX XXXXI: LETTER TO REVOKE OR INVALIDATE AN ADVANCE CLASSIFICATION RULING



**DEPARTMENT OF REVENUE & CUSTOMS
MINISTRY OF FINANCE
ROYAL GOVERNMENT OF BHUTAN**

LETTER OF REVOCATION OR INVALIDATION AN ADVANCE RULING

1. Holder (full name and address)	2. AR Reference:
<p>3. Revocation/Invalidation of an advance ruling</p> <p>The advance ruling issued on _____ (dd/mm/yyyy) with reference number: _____</p> <p>Is hereby revoked /invalidated with immediate effect.</p> <p><i>The holder has the right to appeal against this decision.</i></p>	
<p>1. Justification of the revocation/invalidation</p> <p>_____</p> <p>Place: _____ Name, Designation, Seal & Signature: _____</p> <p>Date: _____ Legal stamp</p>	

ANNEX XXXXII: DETENTION/SEIZURE/CONFISCATION MEMO



**DEPARTMENT OF REVENUE & CUSTOMS
MINISTRY OF FINANCE
ROYAL GOVERNMENT OF BHUTAN**

DETENTION/SEIZURE/CONFISCATION MEMO

Memo No.:

In exercise of the power conferred under the provisions of the Customs Act of Bhutan 2017, I do hereby Detain Seize Confiscate the under mentioned commodities said to have been imported in contravention of the above Act.

Date:

Time:

Place:

Grounds for Detention Seizure Confiscation :

From whom detained/seized/confiscated (Name & address in full):

Modus Operandi:

Mode of transport:

Name & Designation of intercepting official(s):

Invoice No.:

Invoice Date:

Invoice Value:

BTC Code	Commodity Description	Unit	Quantity	Assessed Value (FOB)	Assessed Value (CIF)	Sales Tax		Customs Duty		Total Tax	Amount Paid	Fines & Penalties	Total Payable Amount	Remarks
						Rate (%)	Amount	Rate	Amount					

In keeping with the Customs Act of Bhutan 2017, the importer/exporter/owner of the goods has the right to appeal. However, in the event of non-compliance, the case in hand shall be dealt as per the Customs Act of Bhutan 2017.

Signature of
Owner/Representative

Signature of
Intercepting Official(s)

Signature:
Name & Designation of officer-in-charge:

ANNEX XXXXIII: SUMMON ORDER



**DEPARTMENT OF REVENUE & CUSTOMS
MINISTRY OF FINANCE
ROYAL GOVERNMENT OF BHUTAN**

SUMMON ORDER

Regional Revenue and Customs Office _____, Department of Revenue and Customs, Ministry of Finance

TO BE SERVED BY CUSTOMS OFFICER OF THE DEPARTMENT OF REVENUE AND CUSTOMS:

TO: _____ (Defendant)

In this case it appearing to the Department that there is reasonable cause to believe that you have violated a condition, regulation, or instruction concerning the probationary sentence heretofore imposed upon you, in that: _____

_____.

You are therefore, summoned to the Regional Revenue and Customs Office, _____ on _____ at _____ .M. to show cause why probation should not be revoked.

If you fail to appear as ordered herein, the relevant provisions of the Act and rules will be revoked.

Certificate of Service

[] Return receipt of certified mail received in this office on _____. [Date]

[] I certify that I personally delivered a copy of the Order and Summons to -----

SERVER'S Signature, Name, Designation and Seal

ANNEX XXXXIV: OVERTIME FEES

For Export, Transit, Post and Import from India (Rule 668)

Particulars	Overtime fees per declaration on working days		Overtime fees per declaration on public holidays and weekends
	6 am - 8 am	8 pm – 10 pm	6 am – 10 pm
For EXPORT, TRANSIT and IMPORT from INDIA	Nu. 50	Nu. 50	Nu. 50
For POST	Nu. 25	Nu. 25	Nu. 25

For Import and Export via AIR and Import from countries other than India (Rule 669)

Particulars	Lump-sum Overtime Fees per Hour on working days and public holidays
For import and export via AIR	Nu. 600
For import from COUNTRIES OTHER THAN INDIA	Nu. 600

For Export during peak off-hour and seasonal period (Rule 670)

Particulars	Overtime fees per hour
Time	10 pm – 6 am
For export during peak off-hour and seasonal period	Nu. 600