

# **TAX ADMINISTRATION DIVISION**

## **Performance Indicator Report for Assessment Years 2008 & 2009**

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**DEPARTMENT OF REVENUE & CUSTOMS**

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## Annexure

***Annexure I: Performance Indicator Data for IY 2007***

***Annexure II: Performance Indicator Data for IY 2008 (self declared data till 31<sup>st</sup> March 2009)***

## **Foreword**

The Tax Administration Division is pleased to bring out its 5<sup>th</sup> Performance Indicator Report for Assessment Year 2008 and 2009. This is part of our annual publication series, where our performance in the past one year, in terms of assessment and collection, is reviewed and reported. Unlike in the previous years, this year's report covers the details of two IYs that is, IY (IY) 2007 and IY 2008. The self declared taxes for IY 2008, collected between 1<sup>st</sup> Jan 2009 and 31<sup>st</sup> March 2009, have been included to give the latest update on PIT/BIT/CIT collections.

The report is organized in five parts; Part I gives an overview of the organizational set up of the division including staff details, and new developments and initiatives undertaken during the year, Part II discusses taxpayer composition region wise and tax type wise. Part III covers revenue performance for IY 2007 while Part IV covers revenue performance for IY 2008 as of 31st March 2009. Finally, Part V gives the details of the units under tax holidays and incentives.

All readers must note that the figures presented in this report are different from the figures reported in the National Revenue Report. This is due to the difference in the reporting basis. The former is reported on an IY/calendar year basis, while the later is on a fiscal year basis.

The Division would like to thank and acknowledge the support and guidance of the Hon'ble Director, Regional Commissioners, Tax Heads and hard working tax officials in the regional offices for their support and assistance in publishing this report. We hope that they will find the report useful in planning, monitoring, reviewing strengths and weaknesses, and taking appropriate measures to further strengthen the administration in their respective regions.

**Tax Administration Division  
DRC, HQ**

## **Our Vision**

We aim to develop an effective tax system that will serve as a fiscal policy tool to regulate the economy; adapt to changes, and contribute to the growth of the economy through the mobilization of national revenue.

## **Our Mission**

To raise national revenues for the government in a fair and equitable manner by encouraging voluntary compliance to the rules and providing efficient taxpayer services.

## **Our Values**

We remain guided by values such as integrity, dedication and professionalism in dealing with taxpayers, fostering mutual confidence, and treating all taxpayers with respect and civility.

## **Our Functional Mandate and Strategies**

The Tax Administration Division is directly responsible for the formulation and implementation of income tax rules and regulations, assessment, collection and monitoring of direct taxes, reviewing and recommending tax policy changes to the Ministry of Finance

As tax administrators, we continuously strive to develop an effective tax system that will serve as a fiscal policy tool for the government to manage and regulate the economy from time to time. In doing so, we remain guided by the principles of equity, fairness, and efficiency in our endeavors to mobilize adequate revenue for the government. We also ensure that the department has the capacity to collect taxes efficiently and effectively at minimum cost through impartial service to taxpayers.

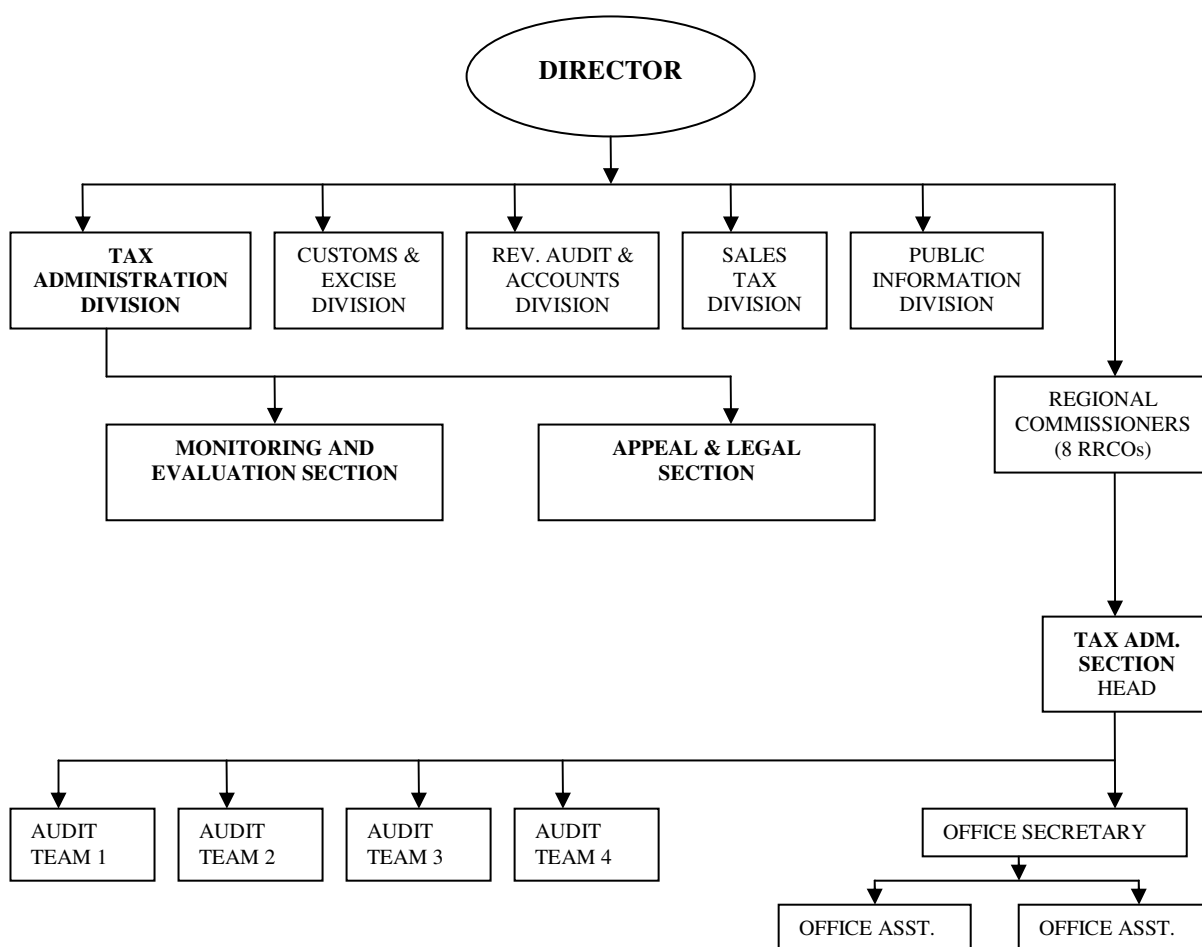
Further, maintaining a high degree of integrity and morale of our staff is a major operational strategy. To this end, we strive to put in place an effective policy framework, risk-based control structures and a strong culture of accountability in our work. We remain fully dedicated both in our spirit and actions to contribute towards achieving the national goal of self reliance by mobilizing adequate internal revenue to the government every year.

# PART I

## ORGANIZATIONAL STRUCTURE

### 1.1 ORGANIZATIONAL SET UP

The organizational set up is structured along functional lines for better coordination, efficiency, and effectiveness in the overall administration and collection of direct taxes. The organogram of the Tax Administration Division at Head Office level and Regional level is given below.



Currently, the department has eight regional offices including one new regional office in Bumthang, which was established in January 2009. The new office was created mainly to facilitate better taxpayer services and ease administrative burden to the general public. Until 2009, taxpayers from three dzongkhags viz. Trongsa, Zhemgang and Bumthang had to go all the way to RRCO Gelephu to file their returns and pay taxes. Table 1 shows the administrative jurisdictions of the eight regional offices.



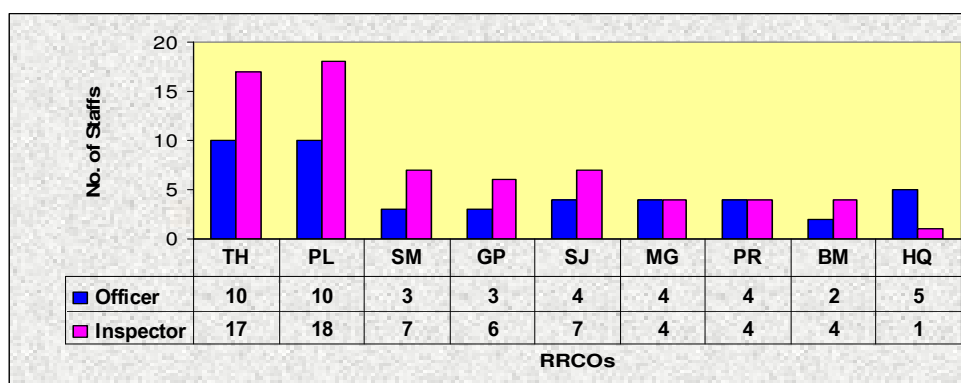
**Table 1: Regional Offices and their Administrative Jurisdiction**

<b>RRCO</b>	<b>Coverage</b>	<b>Dzongkhag</b>
Thimphu	4 Western Dzongkhags	Thimphu, Punakha, Wangdi Phodrang & Gasa
Paro	2 Western Dzongkhags	Paro and Haa
Phuentsholing	1 Southern Dzongkhags	Chukha
Gelephu	3 Southern Dzongkhags	Sarpang, Tsirang, & Dagana
Samtse	1 Southwest Dzongkhag	Samtse
Mongar	4 Eastern Dzongkhags	Mongar, Trashigang, Trashi Yangtse & Lhuentse
Samdrup Jongkhar	2 Southeast Dzongkhags	Samdrup Jongkhar & Pema Gatsel
Bumthang	3 central Dzongkhags	Bumthang, Trongsa & Zhemgang

## 1.2 STAFF STRENGTH

The Tax Administration Division has a total of 113 tax officials comprising 45 tax officers and 68 tax inspectors as of May 2009. The total number of tax officers when compared with the previous IY has increased by almost 5%. However, the number of inspectors went down by almost 2% as compared to the previous IY. One senior officer resigned in February 2009 while the other officer was transferred to Department of Lottery in mid 2008.

The manpower allocation to the RRCOs is exclusively based on revenue potential, the number and type of taxpayers under each RRCO. The detailed staff distribution pattern is presented in the graph below:

**Figure 1: Staff Distribution**

## 1.3 QUALIFICATION

Up gradation of knowledge and technical skills of the staff is a key to strengthening the institutional capacity of an organisation. The minimum qualification requirement for officer

level entry in the division is a bachelor degree or equivalent while for the inspector; it is pre university level or class XII. The last batch of inspectors recruited was in 2008.

The division has 13 officers with a post graduate degree, 24 officers with an undergraduate degree, and the remaining 68 with pre university level qualifications. 8 officers are currently pursuing post graduate degrees in MBA, Economics, Public Policy, Taxation and Law in Australia, Canada, Japan, Thailand and India. The qualification details are given in the table below.

**Table 2: Qualification Details**

<b>RRCO</b>	<b>Master Degree</b>	<b>Bachelors Degree</b>	<b>Class XII</b>	<b>Class X</b>	<b>Pursuing Masters</b>	<b>Total</b>
Head Office	4	0	0	1	1	6
Thimphu	2	6	16	1	2	27
P/ling	2	6	17	1	2	28
Samtse	0	3	6	1	0	10
Gelephu	0	3	3	3	0	9
S/Jongkhar	2	2	6	1	0	11
Paro	1	2	4	0	1	8
Mongar	2		4	0	2	8
Bumthang	0	2	3	1	0	6
<b>Total</b>	<b>13</b>	<b>24</b>	<b>59</b>	<b>9</b>	<b>8</b>	<b>113</b>

#### **1.4 SIGNIFICANT INITIATIVES UNDERTAKEN AS ON DATE:**

Besides the regular work, the division has undertaken the following initiatives during the period.

##### **1.4.1 TAX HOLIDAY FOR IT PARK**

As per the government directives, 15 years and 10 years tax holiday was proposed for the IT park developer and ITES businesses at Wangchutaba, Thimphu. The scheme was announced publicly on August 19, 2008.

##### **1.4.2 ANNUAL TAX OFFICERS MEET**

The 8<sup>th</sup> Annual Tax Officer's Meet was held from 25<sup>th</sup> to 27<sup>th</sup> August, 2008 in Bumthang to resolve various problems faced in the field and more importantly to ensure uniform implementation of the Income Tax Act & Rules across the regional offices. During the meet, besides reviewing the rules and procedures, performance standards for different functional aspects of the division were adopted so as to further improve taxpayer services.

##### **1.4.3 REVISION OF THE INCOME TAX RULES**

The Tax administration Division initiated the revision of Rules on the Income Tax Act of the Kingdom of Bhutan, 2001 and submitted to the Ministry for endorsement. The rules were last revised in 2005.

##### **1.4.4 FORMULATION OF FISCAL INCENTIVE PACKAGES**

As directed by the Cabinet, a comprehensive fiscal incentive packages was drafted and submitted to MoF in April 2009 to boost economic growth, promote private sector development and attract foreign direct investments. The proposal is under consideration by the Ministry.

##### **1.4.5 DOUBLE TAX AVOIDANCE AGREEMENT:**

The Tax Administration Division reviewed the draft on Double Taxation Avoidance Agreement (DTAA) with the Government of India (GoI) and submitted the final draft to the Ministry for negotiations with the GoI.

#### **1.4.6 REVISION OF THE INCOME TAX ACT**

The revision of the Income Tax Act is currently underway. Areas proposed in the revision, amongst others, include international taxation, merger, and de-merger etc. The same will be submitted to the Ministry for concurrence and approval.

#### **1.4.7 INTRODUCTION OF E-FILING FACILITY**

In a bid to further improve and enhance the taxpayer services, the division initiated the introduction of E-filing facility to the PIT payers. In-house training on how to receive, process and upload the e-returns in to the Revenue Management System (RMS) was given extensively to the focal persons from the regional offices. Considering that it is the first year of implementation, the response from the general public was very encouraging and the Tax Administration Division is optimistic that the number of e-filers will increase substantially from next year.

#### **1.4.8 BAS-TDS INTEGRATED WORKSHOP**

A two day workshop on the BAS-TDS integrated system was conducted for the focal persons from the eight regional offices. They were trained on the system and at the same time on how to conduct similar workshops within their own jurisdiction. Moreover, the participants were also briefed on the TDS guide book to ensure uniformity in implementation of the rule.

Currently, the system is under pilot implementation in few departments. The system, once implemented, is expected to reduce the workload of the department of Public Accounts (DPA) and DRC and the manual practice of issuing TDS certificate or punching data will be completely done away. Remittances will be faster as data/information can be transferred electronically from DPA to DRC. It will also benefit the taxpayers in getting TDS certificate instantly thereby enabling them to claim timely adjustment of TDS at the time of filing.

#### **1.4.9 VOLUNTARY DISCLOSURE SCHEME**

The division announced a voluntary disclosure scheme of Income/taxes under Personal Income Tax to improve compliance and bring more people under tax net. The scheme is targeted for those individuals who have never/not filed PIT returns with any of the regional offices. The scheme shall remain in force for two months from 1<sup>st</sup> May 2009 up till 30<sup>th</sup> June 2009.

## PART II

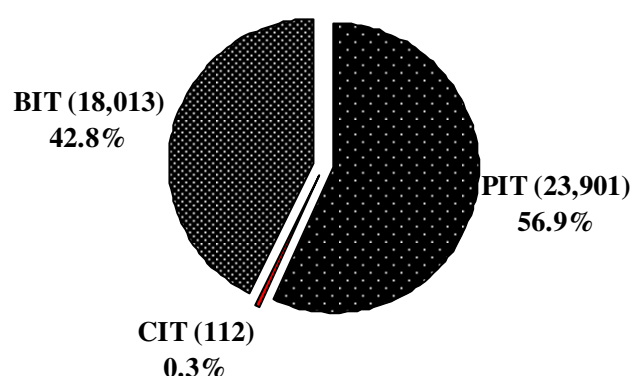
### TAXPAYER HIGHLIGHTS

#### 2.1 TAXPAYER COMPOSITION

Depending on the type of taxes, taxpayers are categorized into Corporate Income Taxpayers, Business Income Taxpayers and Personal Income Taxpayers.

During the IY 2007, the department noted a total of 42,026 taxpayers. This is 15.5% growth from 36,375 taxpayers in the previous IY. BIT recorded the highest increase with 18.7% followed by PIT with 13.3% and CIT at 0.9%. Amongst the RRCOs, RRCO Paro recorded the highest taxpayer growth with 25.8% followed by RRCO Thimphu and RRCO Gelephu at 23.6% and 19.8% respectively. However, RRCO Phuentsholing registered a negative growth of 0.8%. The decline is due to transfer of PIT registration to other regions. The taxpayer composition based on tax type is given below.

**Figure 2: Taxpayer Composition**



In terms of taxpayer composition, PIT payers constituted the largest number of taxpayers at 56.9% followed by BIT payers at 42.8%, while CIT payers constituted only 0.3%. Among the regional offices, RRCO Thimphu continued to record the highest number of taxpayer registrations at 38%. However, the second highest number of taxpayer registration has been taken over by RRCO Gelephu with 16.2% from RRCO Phuentsholing. RRCO Phuentsholing stands at the third position with 15.6% followed by RRCO Mongar and RRCO Samdrup Jongkhar at 8.5% and 7.7% respectively.

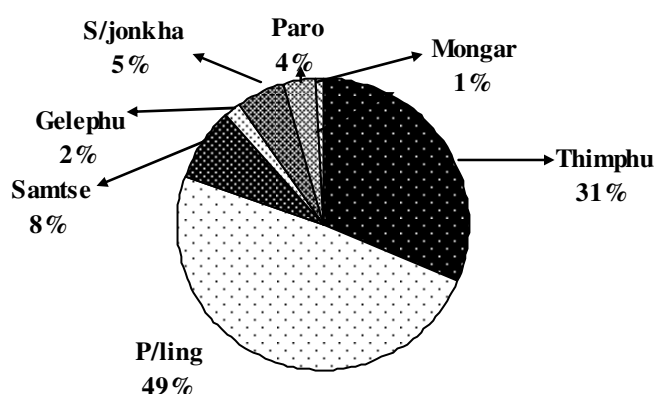
**Table 3: Taxpayer Details**

RRCOS	PIT		CIT		BIT				Total	% Distribution
	Filer	NF/NoP	Filer	NF/NoP	Non Estimated	Estimated	NoP	NF		
Thimphu	9755	0	35	0	700	4666	807	0	15963	37.9%
P/ling	4527	0	46	9	304	1390	264	0	6540	15.6%
Samtse	1437	0	9	0	156	1185	15	0	2802	6.7%
Gelephu	2755	0	2	0	94	3975	0	0	6826	16.2%
S/Jongkhar	1719	0	6	0	99	1320	97	0	3241	7.7%
Paro	1736	0	4	0	85	1172	78	0	3075	7.3%
Mongar	1972	0	1	0	21	1412	173	0	3579	8.5%
<b>Total</b>	<b>23,901</b>	<b>0</b>	<b>103</b>	<b>9</b>	<b>1,459</b>	<b>15,120</b>	<b>1,434</b>	<b>0</b>	<b>42,026</b>	<b>100%</b>
<b>%</b>	<b>56.87%</b>		<b>0.27%</b>			<b>42.86%</b>				<b>100%</b>

## 2.2 CIT TAXPAYERS

CIT payers are those entities incorporated under the Company's Act of the Kingdom of Bhutan, 2000. It includes both wholly and partially state owned corporations. CIT payers accounted for only 0.3% of the total taxpayers. The total number of CIT payers during 2007 saw a marginal increase of 0.9%, from 111 in the previous IY to 112 taxpayers.

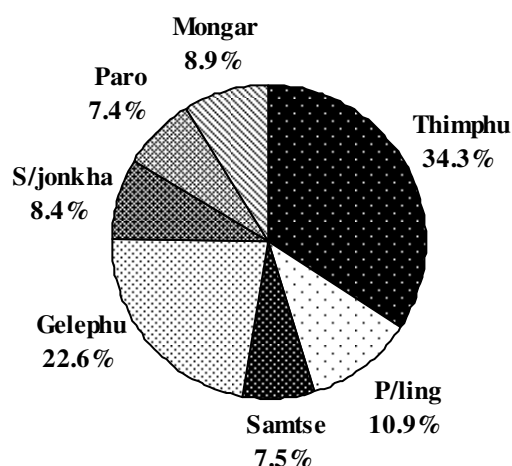
9 CIT payers under RRCO Phuentsholing were recorded as non- operational. 49% of the CIT taxpayers are registered in RRCO Phuentsholing followed by 31% in RRCO Thimphu and 8% in RRCO Samtse respectively.

**Figure 3: Distribution of CIT Payer**

## 2.3 BIT TAXPAYERS

BIT payers are non incorporated business units holding valid licenses or registration certificates (in case of micro units engaged in trading activities, weaving and tailoring) issued by the Ministry of Economic Affairs (MoEA). Business Income Taxpayer ranges from a well established large business houses to small sized micro business units. Out of the total taxpayers of 42,026, 42.8% is registered as BIT units. RRCO Thimphu has the highest registration of BIT taxpayers with 34.3% followed by RRCO Gelephu (22.6%), RRCO Phuentsholing (10.9%), and RRCO Mongar (8.9%).

Figure 4: BIT Payer Distribution



For effective monitoring purposes, BIT payers have been categorized into non-estimated units (those submitting books of accounts) and estimated units (those not submitting books of accounts). Out of a total of 18,013 BIT payers recorded during 2007, 15,120 taxpayers, that is 83.9% of the total BIT payers, paid BIT under estimated method, 8.1% paid their taxes based on accounts, and the remaining 7.9% did not pay any taxes as they were non operational.

On the whole, there was 18.7% increase in BIT taxpayers over the previous IY that is 2838 taxpayers. The increase in non estimated and estimated category is 64 and 3482 taxpayers respectively. The number of non operational units this year has however, gone down by 708 units from 2142 units in the previous IY.

**Table 4: BIT Profile**

<b>RRCOS</b>	<b>Non Estimated</b>	<b>Estimated</b>	<b>NoP</b>	<b>NF</b>	<b>Total</b>	<b>% Distribution</b>
Thimphu	700	4,666	807	0	6,173	<b>34%</b>
P/ling	304	1,390	264	0	1,958	<b>11%</b>
Samtse	156	1,185	15	0	1,356	<b>8%</b>
Gelephu	94	3,975	0	0	4,069	<b>23%</b>
S/Jongkhar	99	1,320	97	0	1,516	<b>8%</b>
Paro	85	1,172	78	0	1,335	<b>7%</b>
Mongar	21	1,412	173	0	1,606	<b>9%</b>
<b>Total</b>	<b>1,459</b>	<b>15,120</b>	<b>1,434</b>	<b>0</b>	<b>18,013</b>	<b>100 %</b>
<b>Percentage</b>	<b>8.10%</b>	<b>83.94%</b>	<b>7.96%</b>	<b>100%</b>		

For assessment of those units where there are no books of accounts maintained, the division adopts the following methods.

- Import and export Information,
- TDS records,
- Taxes paid on estimated basis in the preceding years.
- Taxes paid by other similar units and
- Information collected from taxpayers themselves.

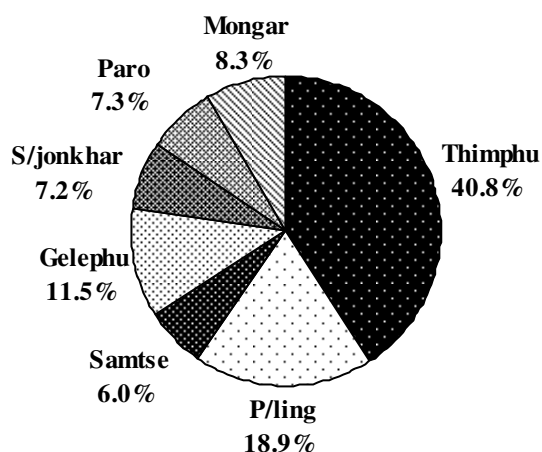
There is rigorous tax education program being conducted every year to educate the taxpayers on book keeping so as to ensure that that collection of BIT is accounts based and estimated assessment is gradually phased away.

## **2.4 PIT TAXPAYERS**

Any individual having a taxable income from one or more of the six sources tapped under Personal Income Tax is termed as PIT payer. During the IY 2007, a total of 23,901 PIT payers have filed the returns, recording an increase of 14.8% over the previous IY's total of 20,821. The increase in the number of PIT payers is attributed largely to increase in income mainly from salary income. Amongst the regions, RRCO Thimphu recorded the highest number of PIT payers at 40.8% (9,755 PIT payers) followed by RRCO Phuentsholing at 18.9% (4,527 PIT payers). The least number of PIT payers is recorded under RRCO Samtse at 6.0%. The detailed region wise distribution of PIT payers is given below.



**Figure 5: PIT Payer Distribution**



Like in the previous IYs, PIT payers with salary income constitute 92.7% of the total PIT payers followed by rental income at 4.5% and other sources at 1.8%. However, PIT payers having income from dividend, interest and cash crop together constitute only 1.1%.

**Table 5: PIT Profile**

Income Source	RRCOs							Total	% income distribution
	T/phu	P/ling	Samtse	G/phu	S/J	Paro	Mongar		
Salary	8,585	4,297	1,382	2,669	1,646	1,646	1,932	22,157	92.7%
Rental	674	135	37	74	64	52	28	1,064	4.5%
Dividend	50	25	5	2	3	1	10	96	0.4%
Interest	43	26	11	4	5	31	0	120	0.5%
Cash Crop	9	20	2	6	1	1	1	40	0.2%
Other sources	394	24	0			5	1	424	1.8%
<b>Total</b>	<b>9,755</b>	<b>4,527</b>	<b>1,437</b>	<b>2,755</b>	<b>1,719</b>	<b>1,736</b>	<b>1,972</b>	<b>23,901</b>	100.00%
<b>% Distribution</b>	<b>40.81%</b>	<b>18.94%</b>	<b>6.01%</b>	<b>11.53%</b>	<b>7.19%</b>	<b>7.26%</b>	<b>8.25%</b>	<b>100.00%</b>	

*For the purpose of this report, taxpayers with multiple sources of income have been categorized under those sources where the income declared is the highest.*

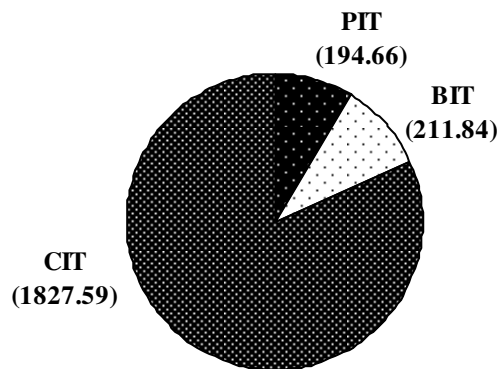
## PART III

### TAX REVENUE HIGHLIGHTS

#### 3.1 OVERALL TAX COLLECTION<sup>1</sup>

During the year, the total tax collection from BIT, CIT and PIT amounted to Nu.2,234.10 million, recording an increase of 18% from Nu.1,896.85 million in the previous IY. PIT collection recorded the highest increase of 93.2%, while CIT and BIT collection increased only by 14.8% and 3.7% respectively.

**Figure 6: Tax Revenue Composition** (in million Ngultrum)



Although increase in CIT collection is only 14.8%, the share of CIT to the total direct tax collection continue to remain the highest at 81.8% followed by BIT at 9.5% and PIT at 8.7%. In comparison to the previous IY, the share of PIT to the total tax revenue increased by 3.4% whereas the share of BIT and CIT to the total tax revenue saw a decline by 1.3% and 2.1% respectively. However, in absolute terms, BIT collection increased by Nu. 7.55 million, PIT by 93.89 million and CIT by Nu. 235.82 million over the previous IY.

As mentioned above, CIT collection accounted for 81.8% of the total tax revenue while the number of CIT taxpayers constitutes only 0.3% of the total registered taxpayers. On the other hand, PIT and BIT taxpayers constituting 99.7% of the total registered taxpayers accounted for only 18.2% of the total tax revenue representing asymmetrical revenue

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<sup>1</sup> Tax collection figures reflected in this report differs from figures reflected in the revenue report since this report is based on calendar year while the revenue report is based on fiscal year.

contribution. The percentage of total actual collection from BIT, CIT and PIT to GDP<sup>2</sup> recorded at 4.2%.

### 3.2 CIT COLLECTION

CIT constituted 81.8% of the total direct tax revenue for the year, recording a 14.8% increase over the previous IY's collection of Nu.1591.78 million. The increase in collection can be attributed to better assessment efforts, improved performance of major corporate units such as M/s Bhutan Telecom Ltd., M/s Penden Cement Authority Ltd., M/s Bhutan Power Corporation Ltd., M/s Bhutan Ferro Alloys Ltd. and M/s Bhutan National Bank Ltd. and the expiry of tax holiday period in respect of certain companies.

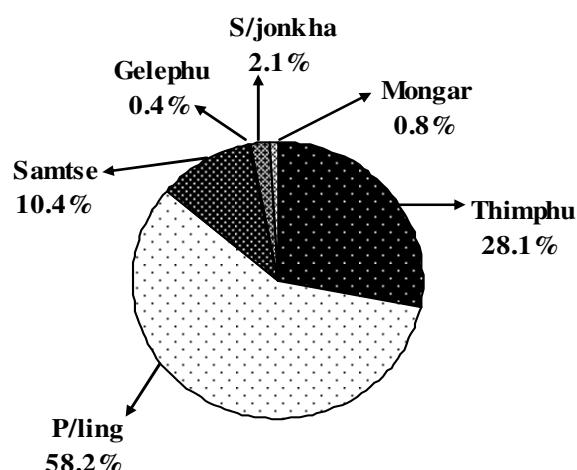
**Table 6: Comparative CIT Collection**

RRCOS	No. of Units		NoP		Tax Amount		% of Tax Amt	% + -
	2006	2007	2006	2007	2006	2007	2007	2006-2007
Thimphu	32	35	0	0	394,865,025	512,906,674	28.1%	29.9%
P/ling	58	46	4	9	1,027,254,669	1,062,923,792	58.2%	3.5%
Samtse	9	9	0	0	123,780,358	190,982,628	10.5%	54.3%
Gelephu	2	2	0	0	6,527,144	7,472,400	0.4%	14.5%
S/Jongkhar	3	6	0	0	39,351,051	38,108,971	2.1%	-3.2%
Paro	2	4	0	0	0	0	0.0%	0.0%
Mongar	1	1	0	0	0	15,199,306	0.83%	100%
<b>Total</b>	<b>107</b>	<b>103</b>	<b>4</b>	<b>9</b>	<b>1,591,778,247</b>	<b>1,827,593,771</b>	<b>100%</b>	<b>15%</b>

Amongst the RRCOs, RRCO Phuentsholing recorded the highest CIT collection with 58.2% followed by RRCO Thimphu and RRCO Samtse with 28.1% and 10.5% respectively. However, while comparing the annual increase in CIT collection with the previous IY, RRCO Samtse recorded the highest increase with 54.3% followed by RRCO Thimphu with 29.9% and RRCO Gelephu with 14.5%. RRCO Mongar collected its first CIT amounting to Nu. 15.12 million from the only CIT unit registered with the region. There is no CIT collection under RRCO Paro as the units are either under tax holiday or have declared losses.

<sup>2</sup> Source: National Revenue Report, 2007-2008, DRC. GDP during 2007-2008 was 52,887.85 million.

**Figure 7: Region-wise CIT Collection**



### 3.2.1 TOP FIVE CIT PAYERS

The top five CIT payers during the year remained the same as the previous IY with the exception of M/s. Bhutan Power Corporation Ltd., which took the fourth position from M/s. Bank of Bhutan Ltd. The share of the top five CIT payers to the total direct tax revenue is 63%, and this is a decrease of 14% from the previous IY. However, the share of the top five CIT payers to the total CIT collection during IY 2007 stands at 77%. With the completion of field assessment by respective RRCOs, the share of the top five CIT payers can be expected to increase.

**Table 7: Top Five CIT Payer**

(Amount in Ngultrum)				
SL. No.	Unit Name	Tax Amount	RRCO	Remarks
1	M/s Chukha Hydro Power Corp. Ltd.	865,975,655.69	Phuentsholing	self declared
2	M/s Bhutan Telecom Ltd.	178,741,689.40	Thimphu	self declared
3	M/s Penden Cement Authority Ltd.	141,337,247.00	Samtse	Self declared
4	M/s Bhutan Power Corp. Ltd.	117,537,863.19	Thimphu	self declared
5	M/s Bhutan National Bank Ltd.	108,642,322.13	Thimphu	self declared
		<b>1,412,234,777.4</b>		

M/s. Chukha Hydro Power Corporation Ltd. continues to be the highest contributor among corporate bodies accounting for 39% of the total direct tax revenue, followed by M/s. Bhutan Telecom Ltd, M/s. Penden Cement Authority Ltd, M/s. Bhutan Power Corporation and M/s. Bank National Bhutan Ltd. Compared to the previous IY, the share of M/s. CHPC Ltd. and M/s. BNB Ltd. to direct tax revenue during the period has reduced by 14% and

0.4% respectively. On the other hand, share of M/s PCA Ltd. and M/s Bhutan Telecom Ltd. to the total direct tax revenue recorded a marginal increase.

### 3.3 BIT COLLECTION

The total collection for the year amounted to Nu. 211.84 million. This is an increase of 3.7% from Nu. 204.30 million in the previous IY. The 8% of the registered BIT payers, that is those units submitting accounts, contributed 77.5% of the total BIT collection, while the 84% of the BIT payers, which fall under estimated assessment or not submitting books of accounts, contributed only 22.5% of the total BIT revenue. The remaining 8% did not pay anything as they were non-operational during the IY.

**Table 8: Comparative BIT Collection**

RRCOS	Account Filers (Tax Amount)		Estimated (Tax Amount)		Total Tax Amount		% of Tax Amt 2007	% + - 2006- 2007
	2006	2007	2006	2007	2006	2007		
Thimphu	73,733,524	75,427,452	15,812,407	16,678,696	89,545,930	92,106,148	43.5%	2.9%
P/ling	69,108,765	53,403,324	7,280,649	10,363,850	76,389,414	63,767,174	30.1%	-16.5%
Samtse	10,961,817	15,544,739	1,629,978	1,278,762	12,591,795	16,823,501	7.9%	33.6%
Gelephu	2,389,563	2,357,264	8,153,817	7,517,403	10,543,380	9,874,667	4.7%	-6.3%
S/Jongkhar	2,107,072	14,696,341	1,635,414	1,526,137	3,742,486	16,222,478	7.7%	333.5%
Paro	2,668,468	2,592,346	4,101,925	5,516,953	6,770,392	8,109,299	3.8%	19.8%
Mongar	0	64,644	4,713,313	4,876,288	4,713,313	4,940,931	2.3%	4.8%
<b>Total</b>	<b>160,969,208</b>	<b>164,086,109</b>	<b>43,327,502</b>	<b>47,758,089</b>	<b>204,298,716</b>	<b>211,846,205</b>	<b>100%</b>	<b>371.7%</b>
<b>% of Total BIT</b>	<b>79%</b>	<b>77%</b>	<b>21%</b>	<b>23%</b>	<b>100%</b>	<b>100%</b>		

BIT collection from estimated units and non estimated units, as compared to the previous IY, was marginal at 10.2% and 1.9% respectively.

RRCO Thimphu continued to be the highest contributor of BIT revenue under both estimated and non estimated category. Under estimated category, 35% of the total estimated collection came from RRCO Thimphu followed by 22% from RRCO Phuentsholing. The least contribution was under RRCO Samtse.

#### 3.3.1 TOP FIVE BIT PAYERS

Under the top five BIT payers, M/s Lhaki Cement took the number one position in IY 2007, relegating M/s Sherja equipment hiring unit to the second position. M/s Druk Hotel jumped up to the third position this year from the fourth position in the previous IY. However, M/s Bhutan Hyundai Motors settled for the fourth position, followed by M/s TCC Head office

in the fifth position. The share of the top five BIT payers to the total BIT collection is 22% and to the total direct tax collection is 2%. M/s Lhaki Cement alone contributed 10% of the total BIT collection during the period. The details of the top five taxpayers are given below:

**Table 9: Top Five BIT Payers**

SL. No.	Unit Name	Tax Amount	RRCO	Remarks
1	M/s Lhaki Cement	21,128,855.77	Samtse	Self declared
2	M/s Sherja Equipment Hiring Unit	11,511,808.00	S/Jongkhar	self declared
3	M/s Hotel Druk	5,891,324.16	Phuentsholing	self declared
4	M/s Bhutan Hyundai Motors	4,126,419.87	Thimphu	self declared
5	M/s TCC Head Office	4,046,647.50	Phuentsholing	self declared
		<b>46,705,055.3</b>		

### 3.3.2 ESTIMATED COLLECTION

Estimated Assessment (EA) is an alternative method of assessment as opposed to the conventional record based assessment. It is adopted in case of those business units where there are no books of accounts maintained or the factual correctness of the information submitted is questionable. Estimated collection involves the use of indirect means of assessment to determine the tax liability, and is different from the accounts based method. The total estimated collection during the year amounted to Nu.47.76 million recording an increase of 10% over Nu 43.33 million collected in the previous IY.

The contribution of estimated collection to the total direct tax revenue was a mere 2% despite constituting 84% of the total BIT taxpayers. Among RRCOs, RRCO Thimphu recorded the highest at 0.7% in terms of contribution to the total direct tax revenue followed by RRCO Phuentsholing at 0.5%, RRCO Gelephu at 0.3%, RRCO Paro and RRCO Mongar at 0.2% each and RRCO Samdrup Jongkhar & RRCO Samtse at 0.1% each respectively.

The national average collection per estimated unit for the IY 2007 was Nu.3,159 and the average lowest and highest collection was Nu.1,243 and Nu.167,123 respectively. Compared to the previous IY, the average tax collection and the minimum tax collection have decreased by 13% and 7% respectively. However, the maximum tax collected per taxpayer has increased by 8%. The lowest tax collection per taxpayer was noted in RRCO Phuentsholing with Nu.100 while RRCO Thimphu recorded the highest tax collection per taxpayer with Nu. 304,429.

**Table 10: Average Estimated Collection in 20 Dzongkhags**

RRCO	Dzongkhags	No. of units from whom tax was collected	Actual estimated collection for 2007	% of Total Tax Rev (Nu.2219.78 mill)	Average Tax Collected in 2007	Min. Tax Collected per TP	Max. Tax Collected per TP
<b>Thimphu</b>	Thimphu	3718	12,124,968	0.55%	3261	500	304,429
	Wangdue	581	2,773,205	0.12%	4773	150	44,609
	Punakha	283	1,584,346	0.07%	5598	500	52,000
	Gasa	84	196,177	0.01%	2335	600	3,300
	<b>Subtotal</b>	<b>4666</b>	<b>6,678,696</b>	<b>0.75%</b>	<b>3575</b>	<b>1,750</b>	<b>404,338</b>
<b>P/Ling</b>	Chukha	1390	10,363,850	0.47%	7456	100	372,670
	<b>Subtotal</b>	<b>1390</b>	<b>10,363,850</b>	<b>0.47%</b>	<b>7456</b>	<b>100</b>	<b>372,670</b>
<b>Samtse</b>	Samtse	1185	1,278,762	0.06%	1079	300	10000
	<b>Subtotal</b>	<b>1185</b>	<b>1,278,762</b>	<b>0.06%</b>	<b>1079</b>	<b>300</b>	<b>10,000</b>
<b>Gelephu</b>	Bumthang	606	1478810	0.07%	2440	500	33,000
	Dagana	420	607156	0.03%	1446	500	13,600
	Sarpang	1663	2467706	0.11%	1484	500	35,000
	Trongsa	376	1365358	0.06%	3631	500	36,500
	Tsirang	476	761620	0.03%	1600	500	26,000
	Zhemgang	434	836753	0.04%	1928	500	17,000
	<b>Subtotal</b>	<b>3975</b>	<b>7517403</b>	<b>0.34%</b>	<b>1891</b>	<b>3,000</b>	<b>161,100</b>
<b>S/Jongkhar</b>	Pemagtshel	518	591,342	0.03%	1142	500	13,000
	S/Jongkhar	802	934,795	0.04%	1166	500	38,000
	<b>Subtotal</b>	<b>1320</b>	<b>1,526,137</b>	<b>0.07%</b>	<b>1156</b>	<b>1,000</b>	<b>51,000</b>
<b>Paro</b>	Haa	263	1,261,779	0.06%	4798	500	24,750
	Paro	909	4,255,175	0.19%	4681	500	43,000
	<b>Subtotal</b>	<b>1172</b>	<b>5,516,953</b>	<b>0.25%</b>	<b>4707</b>	<b>1,000</b>	<b>67,750</b>
<b>Mongar</b>	Mongar	584	1934482	0.09%	3312	400	50,000
	Trashigang	508	1729071	0.08%	3404	250	24,000
	Tashiyangtse	224	927036	0.04%	4139	500	17,000
	Lhuntse	96	285699	0.01%	2976	400	12,000
	<b>Subtotal</b>	<b>1412</b>	<b>4,876,288</b>	<b>0.22%</b>	<b>3453</b>	<b>1,550</b>	<b>103,000</b>
<b>OVERALL</b>		<b>15120</b>	<b>47,758,089</b>	<b>2.15%</b>	<b>3,159</b>	<b>1,243</b>	<b>167,123</b>

*Estimated collected is inclusive of 2% TDS deducted from petty contractors Except for RRCO Samtse.  
Non filers and non-operational cases are included while computing average tax collected during 2007*

### 3.4 PIT COLLECTION

During the IY 2007, PIT collection noted a record collection of 194.66 million, which is an increase of 93% over the previous IY's collection. This increase is attributed to upward revision in PIT rates to 25% during the IY.

**Table 11: PIT Collection**

RRCOs	2006	2007	2006	2007	2006	2007	Taxpayer 2006- 2007	Tax Amt 2006- 2007
	No of Taxpayers		Tax amount		% of tax		% + -	% + -
Thimphu	8,293	9,755	50,023,401	101,100,187	49.6%	51.9%	17.6%	102.1%
P/ling	4,003	4,527	28,207,826	48,537,215	28.0%	24.9%	13.1%	72.1%
Samtse	1,475	1,437	3,677,651	7,981,380	3.7%	4.1%	-2.6%	117.0%
Gelephu	2,714	2,755	3,674,575	8,436,525	3.7%	4.3%	1.5%	129.6%
S/Jongkhar	1,542	1,719	7,057,412	10,201,589	7.0%	5.2%	11.5%	44.5%
Paro	1,502	1,736	5,436,677	11,411,128	5.4%	5.7%	15.6%	109.9%
Mongar	1,560	1,972	2,696,034	6,993,164	2.7%	3.6%	26.4%	159.4%
<b>Total</b>	<b>21,089</b>	<b>23,901</b>	<b>100,773,576</b>	<b>194,661,186</b>	<b>100.0%</b>	<b>100.0%</b>	<b>13.3%</b>	<b>93.2%</b>

As usual, RRCO Thimphu and RRCO Phuentsholing accounted for 52% and 25% of the total PIT revenue. The contributions from the other RRCOs were in the order of 6% under RRCO Paro, 5% under RRCO S/Jongkhar and 4% each under RRCO Samtse, Gelephu & Mongar. RRCO Thimphu and RRCO Phuentsholing together have a total of 14,282 PIT payers representing 60% of the total registered PIT payers. The two regions collectively accounted for 77% of the total PIT revenue. The contribution from the top ten PIT payers increased from Nu.17.94 million to Nu 22.16 million accounting for 11.4% of the total PIT collection.

### 3.4.1 INCOME SLAB WISE ANALYSIS

The middle-income group constituting about 75% of the total PIT payers contributed 38.5% of the total PIT revenue (Nu. 74.96 million) while the contribution from 25% of the total PIT payers, constituting the high-income group, contributed 61.5% of the total PIT revenue (Nu. 119.70 million) for the year. The slab wise number of taxpayer vis-à-vis tax amount is given below.

**Table 12: PIT Analysis**

Income Slab	Rate	No. of TP	Tax Amount	% of Tax paid	Average tax paid	Maximum tax paid
0 -100,000	0%	4,002	0.00	0	0.00	0.00
100,001 - 250,000	10%	17,964	74,959,395.09	38.5%	4,172.76	15,000.00
250,001 - 500,000	15%	1,514	40,632,835.98	20.9%	26,838.07	37,315.14
500,001 - 1,000,000	20%	317	27,889,482.66	14.3%	87,979.44	99,863.60
1,000,001 & above	25%	104	51,179,472.28	26.3%	492,110.31	5,239,552.14
<b>Total</b>		<b>23,901</b>	<b>194,661,186.00</b>	<b>100.0%</b>	<b>611,100.58</b>	<b>5,391,730.88</b>



### 3.5 TAX REFUND

From the total direct tax collection of Nu.2234.10 million during the IY 2007, Nu.30.80 million, representing 1.4% of the total collection, was refunded. PIT refund alone accounted for 97% while BIT/CIT refund together accounted for only 3% of the total refund. During the period, the total refund recorded an increase by 59.5% compared to the previous IY mainly under PIT due to general deductions allowed for individuals. The decrease in BIT refund by 70.5% compared to the previous IY is due to better taxpayer compliance and improved assessment efforts.

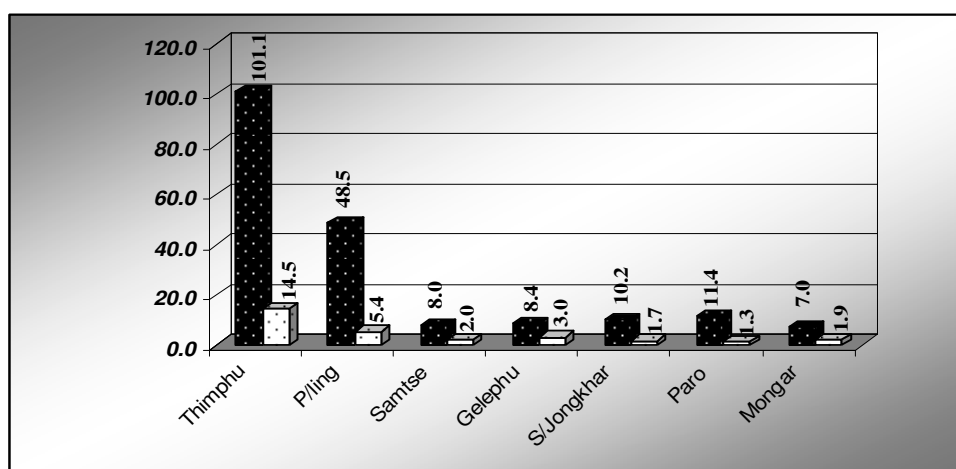
**Table 13: Comparative Tax Refund**

(Figure in million Ngultrum)

RRCOS	2006	2007	2006	2007	2006	2007	% + - (2006-2007)			Total Refund	% distribution
	PIT	PIT	BIT	BIT	CIT	CIT	PIT	BIT	CIT		
Thimphu	8.92	14.51	0.00	0.11	0.00	0.43	63%	#DIV/0!	0	15.05	49%
P/ling	3.59	5.43	1.49	0.36	0.00	0.00	51%	-76%	0	5.80	19%
Samtse	0.74	1.99	0.00	0.00	0.00	0.00	169%	#DIV/0!	0	1.99	6%
Gelephu	1.35	3.00	0.00	0.00	0.00	0.00	122%	#DIV/0!	0	3.00	10%
S/Jongkhar	1.03	1.75	0.00	0.00	0.00	0.00	70%	#DIV/0!	0	1.75	6%
Paro	1.18	1.27	0.13	0.00	0.00	0.00	8%	-100%	0	1.27	4%
Mongar	0.88	1.95	0.00	0.00	0.00	0.00	121%	#DIV/0!	0	1.95	6%
<b>Total</b>	<b>17.69</b>	<b>29.89</b>	<b>1.61</b>	<b>0.48</b>	<b>0.00</b>	<b>0.43</b>	<b>69%</b>	<b>-70%</b>	<b>0</b>	<b>30.80</b>	<b>100%</b>
<b>% of total Refund</b>		<b>97%</b>		<b>2%</b>		<b>1%</b>				<b>100%</b>	

Out of 16,205 refund cases, 42% is processed under RRCO Thimphu and 18% under RRCO Phuentsholing. The remaining five RRCOs collectively processed only 40% of the refund cases. The details of the total PIT collection and total PIT refunded under each RRCO are given below in the graph.

**Figure 8: Total PIT Collection Vis-à-vis Total PIT Refund (in million Ngultrum)**



### 3.6 TAX OUTSTANDING

Total tax outstanding as a percentage of the total tax liability was recorded at 1.3% during the IY 2007 as against 5.4% in the previous IY. This indicates good compliance from the taxpayers as well as concerted collection effort made by the regional offices. The total amount of taxes in arrears under the BIT and CIT category showed a decrease from 16.8% and 4.1% in the previous IY to 3.7% and 0.9% respectively during the period. Amongst the RRCOs, RRCO Thimphu recorded the highest percentage of outstanding taxes under PIT while RRCO Mongar recorded the highest outstanding taxes under BIT and CIT with 8.8% and 5.9% respectively.

**Table 14: Tax Outstanding Profile**

(Figure in million Ngultrum)

RRCO	IY wise Tax Outstanding						Total Tax Amount (2007)			% Arrears (2007)		
	PIT		BIT		CIT		PIT	BIT	CIT	PIT	BIT	CIT
	2006	2007	2006	2007	2006	2007						
Thimphu	0.26	2.97	2.31	6.89	24.52	7.33	104.07	99.00	520.24	2.8	6.9	1.4
P/ling	0.14	0.12	36.42	0.40	30.08	8.37	48.65	64.17	1,071.29	0.2	0.6	0.8
Samtse	0.01	0.01	1.55	0.19	12.70	0.77	7.99	17.02	191.76	0.1	1.1	0.4
Gelephu	0.00	0.00	0.11	0.02	0.00	0.00	8.44	9.90	7.47	0.0	0.2	0.0
S/Jongkhar	0.00	0.19	0.06	0.07	0.05	0.00	10.39	16.29	38.11	1.8	0.4	0.0
Paro	0.00	0.01	0.34	0.07	0.00	0.00	1.40	8.18	0.00	0.1	0.8	0.0
Mongar	0.00	0.02	0.34	0.48	0.00	0.96	7.01	5.42	16.16	0.3	8.8	5.9
<b>Total</b>	<b>0.42</b>	<b>3.32</b>	<b>41.12</b>	<b>8.14</b>	<b>67.35</b>	<b>17.43</b>	<b>187.96</b>	<b>219.98</b>	<b>1,845.02</b>	<b>5.5</b>	<b>19.1</b>	<b>8.5</b>
<b>% of total tax in arrears</b>										<b>1.7</b>	<b>3.7</b>	<b>0.9</b>

As usual, BIT recorded the highest outstanding at 3.7% compared to CIT and PIT at 0.9% and 1.7% respectively.

### 3.7 ASSESSMENT HIGHLIGHTS

The Income Tax Act mandates every return to go through a desk assessment (DA) within 90 days of the filing of return and a field assessment (FA) once every two IYs.

At the DA stage, every return is subject to logical and arithmetical checks on the figures submitted and reasonableness checks on the level of self declared tax. Every return is then further vetted to see whether FA is required or not. Accordingly the returns are either finalized or marked for further assessments. Generally, units are prioritized for field assessment where there are substantial tax refunds claimed or where the unit is a loss making concern or where the unit has not been assessed for the past two IYs.

FA entails three major stages that are planning, assessment and review. The planning process includes planning of field assessment and planning of individual field assessment, developing a general strategy and a detailed approach for the expected nature, timing and extent of assessment procedures. FA is a more in-depth assessment carried out at the business premises and tax returns and financial statements filed by taxpayers are reviewed and assessed as per the Income Tax Act and Rules. Further, compatibility test to the tax ratios for their respective sector and size of the businesses are also carried out. Finally the assessment report and notice of assessment are issued to the taxpayer.

The performance of RRCOs vis-à-vis targets and achievements in DA and FA for IY 2007 is given below:

**Table 15: Assessment Status 2006**

PARTICULARS	T/PHU	P/LING	S/TSE	G/PHU	S/J	PARO	MG	OVERALL
<b>PIT</b>								
DA Targeted	9755	4527	1437	2755	1719	1736	1972	23901
DA Finalised	9638	4527	1431	2755	1719	1736	1972	23778
% Finalised	98.8%	100%	99.6%	100%	100%	100%	100%	99.5%
DA pending	117	0	6	0	0	0	0	123
FA Targeted	16	0	10	0	0	0	0	26
FA Finalised	16	0	10	0	0	0	0	26
% Finalised	100.0%	#DIV/0!	100%	#DIV/0!	0%	0%	#DIV/0!	100%
FA Pending	0	0	0	0	0	0	0	0
<b>CIT</b>								
DA Targeted	0	0	9	0	0	0	1	10
DA Finalised	0	0	9	0	0	0	1	10
% Finalised	0%	0%	100%	0%	0%	0%	0%	100%
DA pending	0	0	0	0	0	0	0	0
FA Targeted	23	14	9	0	0	0	1	47
FA Finalised	22	12	6	0	0	0	1	41
% Finalised	95.7%	85.7%	66.7%	#DIV/0!	#DIV/0!	0%	100%	87.2%
FA Pending	1	2	3	0	0	0	0	6
<b>BIT</b>								
DA Targeted	253	194	156	25	0	47	21	696
DA Finalised	252	181	156	25	0	47	21	682
% Finalised	99.6%	93.3%	100%	100%	0%	100%	100%	98.0%
DA pending	1	13	0	0	0	0	0	14
FA Targeted	71	22	83	22	60	38	21	317
FA Finalised	69	22	67	22	40	35	7	262
% Finalised	97.2%	100%	80.7%	100%	66.7%	92.1%	33.3%	82.6%
FA Pending	2	0	16	0	20	3	14	55

Overall Coverage								
DA Finalised	98.8%	99.7%	99.6%	100%	100%	100%	100%	99%
DA Pending	118	13	6	0	0	0	0	137
FA Finalised	97.3%	94.4%	81.4%	100%	66.7%	92.1%	36.4%	84.4%
FA Pending	3	2	19	0	20	3	14	61
Tax Officer to Taxpayer ratio	639	284	311	683	324	308	597	452

### 3.7.1 DESK ASSESSMENT (DA)

Under PIT, out of a total of 23,901 returns received, only 123 returns remained un-assessed during the year. The number of un-assessed returns, compared to the previous IY has reduced by 209 returns. The reduction is due to improved compliance by the taxpayers. The reasons for 123 returns remaining un-assessed are due to lack of proper documentation by the taxpayers and system related problems in case of change in PIT registration at the time of DA. Under PIT, except RRCO Thimphu and Samtse, the rest have recorded 100% DA coverage notching the overall coverage of DA at 99.5%. The DA coverage for CIT units was 100%, with no DA pending for the year. All RRCOs except RRCO Thimphu and Phuentsholing covered 100% DA for BIT units. However, the overall coverage of DA for BIT was 98% with pending assessments of 14 as against 114 units in the previous IY.

### 3.7.2 FIELD ASSESSMENT (FA)

The assessment coverage for PIT taxpayer under RRCO Thimphu and Samtse was 100%. Under CIT, FA was carried out in most RRCOs as the revenue risk involved was much higher than the BIT units. A total of 41 CIT units out of 47 units were assessed covering 87.2% of the total units selected for FA. The FA coverage under BIT was 82.6%.

### 3.7.3 OVERALL ASSESSMENT EFFORTS

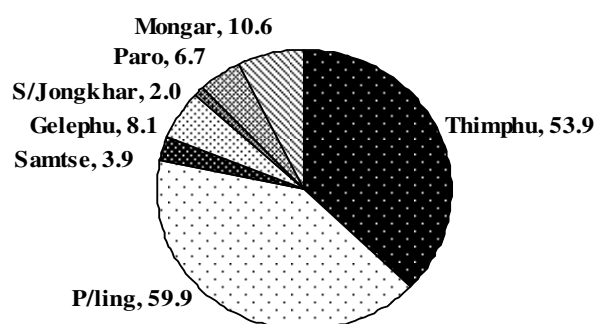
The overall coverage under DA for all three types of taxes (BIT, PIT and CIT) at the national level remained at 99% recording an increase by 1% compared to the previous IY. Similarly, the overall coverage under FA for all the three types of taxes at national level settled at 84% indicating a reduction in field assessment by 5% compared to the previous IY's coverage of 89%. The decrease in FA coverage was due to more number of IYs covered under FA in most units.

In terms of manpower availability, the ratio of assessing officials to taxpayers for the year stands at 1:452, that is, one assessing officer for every 452 taxpayers. This is 32% increase in the number of taxpayers for every official as compared to the previous IY's ratio.

### 3.8 ASSESSMENT EFFORTS

Any additional revenue raised or collected purely through the assessment efforts of the RRCOs is taken as a yardstick to measure the effectiveness and efficiency of the division as well as the individual RRCO concerned. As usual, the larger regions continued to outperform the smaller regions in terms of tax collection. RRCO Phuentsholing posted an additional tax collection of Nu.59.9 million followed by RRCO Thimphu with an additional collection of Nu.53.9 million. RRCO Thimphu and Mongar recorded 100% increase in additional collection followed by RRCO Paro with 37% and RRCO Phuentsholing with 35%. On the whole, the overall additional collection increased from Nu 99.4 million in the previous IY to Nu. 145.2 million during the IY recording an increase of 46%.

**Figure 9: Assessment Efforts** (in million Ngultrum)



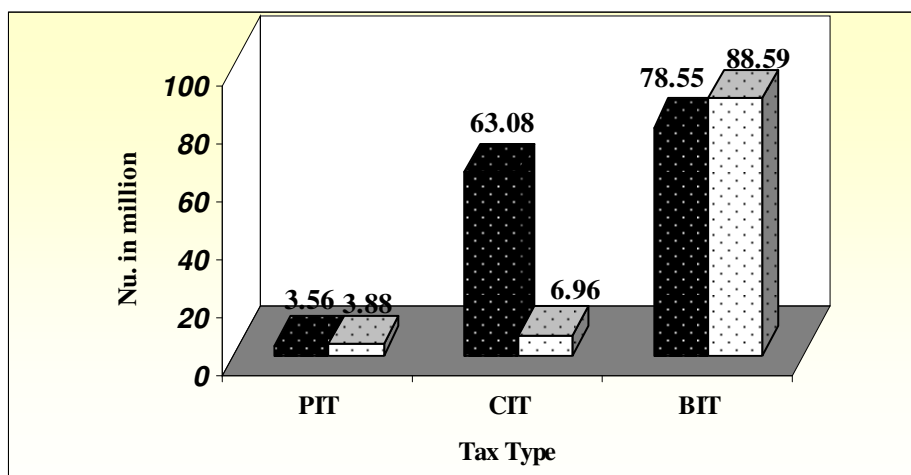
During the IY, the overall assessment effort was recorded at 6%. This means 6% of the total direct tax collection of Nu. 2234.10 million was collected through the administrative and concerted assessment efforts. The remaining 94% was collected through self/voluntary declaration by taxpayers and in the form of tax deducted at source by various withholding agencies.

Compared to the previous IY, additional CIT collection recorded a growth of 36% while the additional PIT and BIT registered a negative growth of 2% and 35% respectively despite the fact that overall additional collection increased by 46%. This can be attributed to strict and compulsory DA and better compliance by taxpayers.

Out of the total additional collection, additional BIT collection contributed 54.1% followed by CIT with 43.4% and PIT with 2.5%. Amongst the RRCOs, except RRCO S/Jongkhar,

RRCO Samtse and RRCO Gelephu, the rest have recorded increase in additional collection. RRCO S/Jongkhar registered the highest negative growth with 50% followed by RRCO Samtse with 21% and RRCO Gelephu with 11% decrease in total additional collection compared to previous IY. Under additional CIT, compared to the previous IY, it has increased by 806% i.e. from Nu. 6.96 million in 2006 to Nu. 63.08 million in 2007. On the other hand, additional collection from BIT and PIT dropped by 11% and 8% respectively.

**Figure 10: Assessment Effort by Tax Category**



### 3.9 APPEALS

Tax appeals arise when a taxpayer's rights are either infringed by actions of the tax authorities or when taxpayers disagree with the demand notice issued by the RRCOs. Tax appeals are heard and examined at three stages; RRCO level, Head Office level and Ministry level (tax appeal board). Tax appeals are usually heard first at the RRCOs and then forwarded to the head office if the taxpayers disagree with the decision passed by the Regional Tax Appeal Committee (RTAC). Otherwise the decision of the RTAC is final. Further, in the event the taxpayers disagree with the decision passed by the head office Tax Appeal Committee (TAC), the appeal is forwarded to the Ministry. In case of disagreement with the decision passed by the appeal board at the Ministry, the taxpayer has the option of going to a court of law. However, the above appeal procedures do not in any way bar a person from filing an appeal in a court of law directly.

Most of the appeals were for waiver of fines and penalties incurred for delay in deposit of taxes or late filing. Few appeal cases were for disallowances made by the assessing team. During the year, the division recorded a total of 204 appeal cases registering an increase of

3% over the previous IY's record of 198 cases. Out of 204 cases, 151 cases have been decided and resolved at RRCO level and 53 cases referred to the Head Office for further decision. The DRC Tax Appeal committee resolved all the cases that were forwarded by the regional offices. Amongst the three tax types, BIT appeals registered maximum with 70% followed by PIT with 17% and CIT with 13% respectively. The total fines and penalties imposed during the period amounted to Nu.21.54 million, out of which Nu. 5.10 million was collected and Nu. 13.86 million were waived off by RRCO and HQ appeal committee. The balance net collectable fines and penalties amounted to Nu. 2.58 million.

**Table 16: Appeal Details**

(Amount in million Ngultrum)

PARTICULARS	Type of Tax			TOTAL
	PIT	CIT	BIT	
Filers	23,901	112	18,013	42,026
Filing Time Extension cases	132	18	226	376
Non Filers	0	0	0	-
Non Operational Taxpayers	0	9	1434	1,443
Tax Holiday Units	0	21	29	50
Penalty Cases	1,297	23	986	2,306
Penalty Imposed (Nu. In Million)	<b>1.19</b>	<b>15.96</b>	<b>4.39</b>	<b>21.54</b>
Penalty Collected (Nu. In Million)	<b>0.75</b>	<b>1.92</b>	<b>2.44</b>	<b>5.10</b>
No of Evasion Cases	14	2	29	45
No of Tax Delinquent Cases	0	0	0	-
<b>TAX APPEALS</b>				-
No of Appeals Received	35	26	143	204
Appeal Resolved at RRCO Level	30	11	110	151
Amount Waived in appeal at RRCO level (Nu. in Million)	<b>0.14</b>	<b>0.27</b>	<b>0.73</b>	<b>1.14</b>
No. of Appeals forwarded to Head Office	5	15	33	53
Appeals Resolved at HQ Level	5	15	33	53
Amount Waived in appeal at HQ level (Nu. in Million)	<b>0.42</b>	<b>7.29</b>	<b>5.01</b>	<b>12.72</b>
Appeal Forwarded to Appeal Board in 2008	0	0	0	<b>0.00</b>

### 3.10 COST OF COLLECTION

Ideally, a tax system is considered efficient if the cost of collection is less, compliance cost is negligible and the excess burden is relatively smaller. The cost of collection, amongst many other factors, is used as the indicator or yardstick to measure the efficiency and effectiveness of the tax administration efforts. Unlike in the previous IYs where the approved budget was used to compute cost of collection, for the IY 2007 the actual current and capital expenditures have been taken into account to compute cost of collection. This change has been adopted to arrive at a more accurate computation compared to the past practices, where the unspent budget was not discounted. Considering the total actual

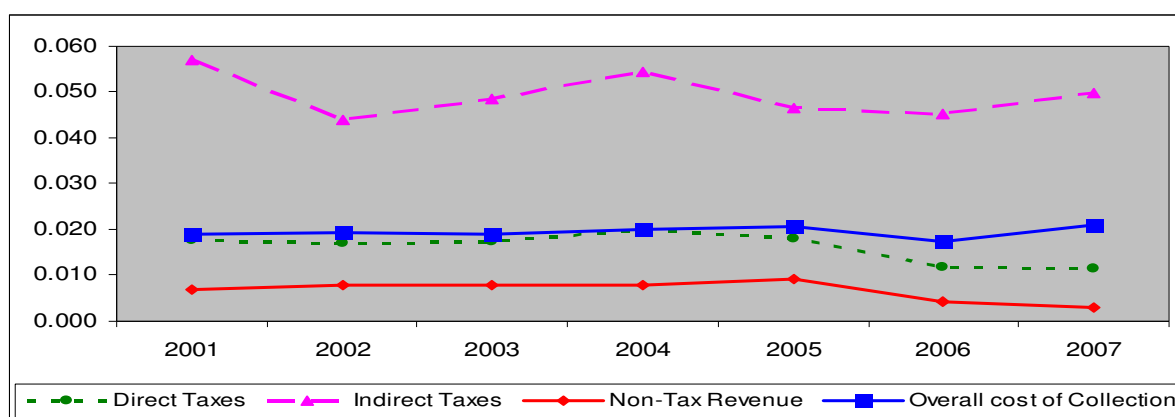
expenditure, the costs incurred by the government for collecting 1 Ngultrum was about 1 Chetrum for direct tax revenue, 5 Chetrum for indirect tax revenue, and 0.3 Chetrum for non tax revenue. That means in order for the govt to collect direct tax revenue of Nu 3107.91 million (computed on a calendar year basis), 1.1% of it is incurred as the collection cost.

**Table 17: Cost of Collection details**

Type of taxes	2001	2002	2003	2004	2005	2006	2007
Direct Taxes	0.018	0.017	0.017	0.020	0.018	0.012	0.011
Indirect Taxes	0.057	0.044	0.049	0.054	0.047	0.045	0.050
Non-Tax Revenue	0.007	0.008	0.008	0.008	0.009	0.004	0.003
Overall cost of Collection	0.019	0.019	0.019	0.020	0.021	0.017	0.021

The cost of collection for direct taxes and non tax revenue has decreased marginally over the previous IY indicating improved tax administration efforts and good compliance by the taxpayers. However, the overall cost of collection has gone up by 0.40 Chetrum.

**Figure 11: Trend Line Cost of Collection**





# PART IV

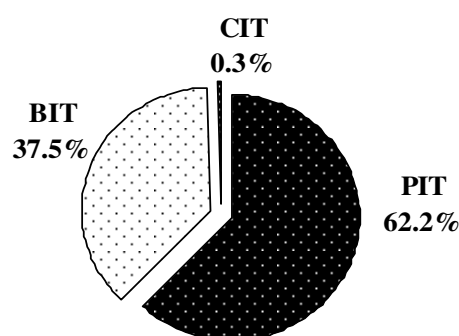
## IY 2008

### (Information up to 31<sup>st</sup> March 2009)

#### 4.1 TAXPAYER HIGHLIGHTS

As of 31<sup>st</sup> March 2009, a total of 42,381 taxpayers have filed their tax returns with the RRCO concerned. The taxpayer composition based on tax type is given below.

**Figure 12: Taxpayer Composition**



In terms of taxpayer composition, PIT filers constituted the largest at 62.2% followed by BIT filers at 37.5%, while CIT filers constituted only 0.3%. Among the regional offices, RRCO Thimphu and RRCO Phuentsholing recorded the highest number of taxpayer registrations at 34.6% and 15.9% respectively, followed by RRCO Gelephu and RRCO Mongar at 11.5% and 9.4% respectively.

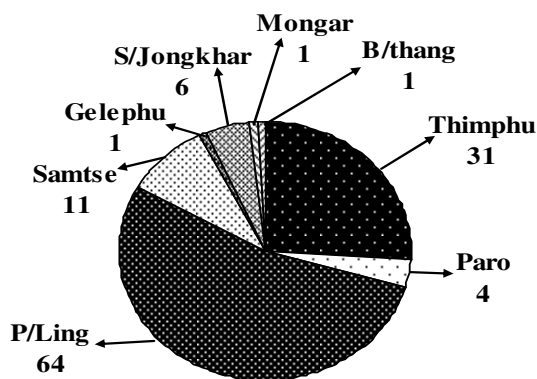
**Table 18: Taxpayer Details:**

RRCOs	PIT		CIT		BIT				Total	% Distribution
	Filer	E-filers	Filer	NF/NoP	Non Estimated	Estimated	NoP	NF		
Thimphu	9635	781	31		570	2909	750	0	14676	34.6%
Paro	1876	23	2	2	88	1112	86	0	3189	7.5%
Phuentsholing	4821	44	55	9	251	1398	156	0	6734	15.9%
Samtse	1670	5	10	1	156	1014	305	0	3161	7.5%
Gelephu	1814	45	1		89	2944	0	0	4893	11.5%
S/Jongkhar	1770	53	5	1	109	1349	132	0	3419	8.1%
Mongar	2439	64	1		24	1201	244	0	3973	9.4%
Bumthang	1316	0	1		42	948	29		2336	5.5%
<b>Total</b>	<b>25341</b>	<b>1015</b>	<b>106</b>	<b>13</b>	<b>1329</b>	<b>12875</b>	<b>1702</b>	<b>0</b>	<b>42381</b>	<b>100%</b>
<b>Percentage</b>	<b>62.19%</b>		<b>0.28%</b>		<b>37.53%</b>					<b>100%</b>

#### 4.1.1 CIT PAYERS

As of 31<sup>st</sup> March 2009, 119 CIT units filed in their tax returns for the IY 2008. CIT filers accounted for only 0.3% of the total taxpayers. 54% of the CIT units are located in RRCO Phuentsholing followed by 26% in RRCO Thimphu and 9% in RRCO Samtse. A detailed CIT payer's distribution among the eight regional offices is shown below.

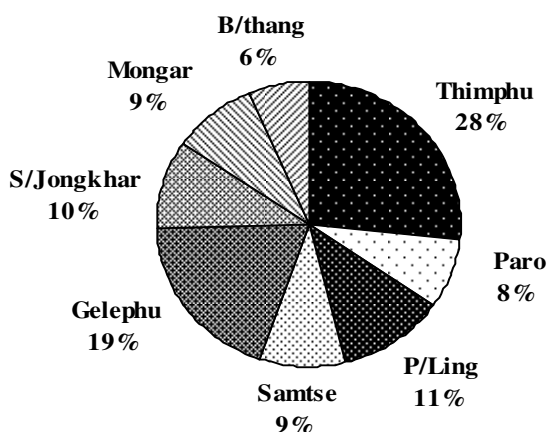
Figure 13: Distribution of CIT Taxpayer



#### 4.1.2 BIT PAYERS

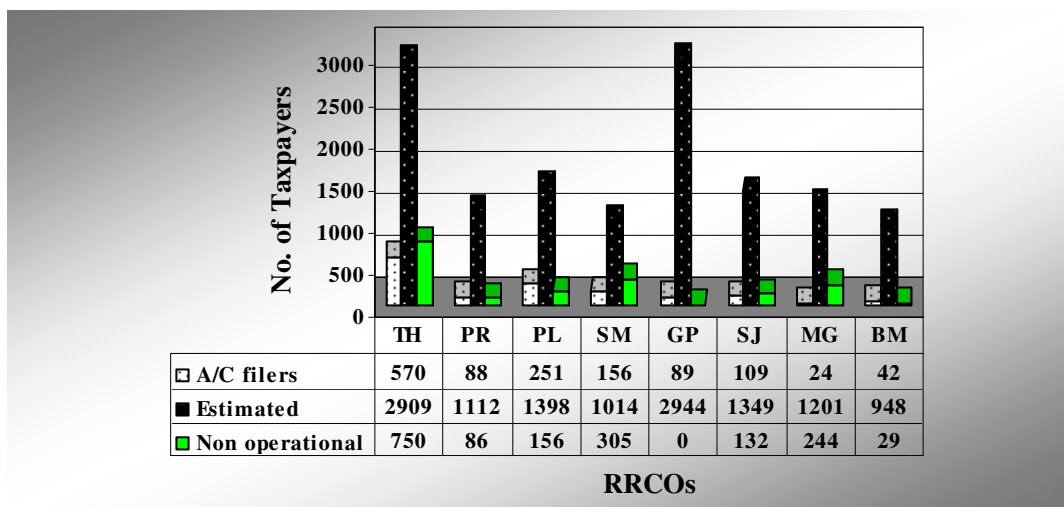
BIT units accounted for 37.5% of the total filers with most of the taxpayers registered under RRCO Thimphu, followed by RRCO Gelephu, RRCO Phuentsholing, RRCO Samdrup Jongkhar, RRCO Mongar, RRCO Samtse, RRCO Paro and RRCO Bumthang.

Figure 14: BIT filer Distribution



Out of a total of 15,906 BIT filers for the IY 2008, 80.9% paid their Business Income Tax under estimation, 8.4% submitted accounts, and the remaining 10.7% were non operational units.

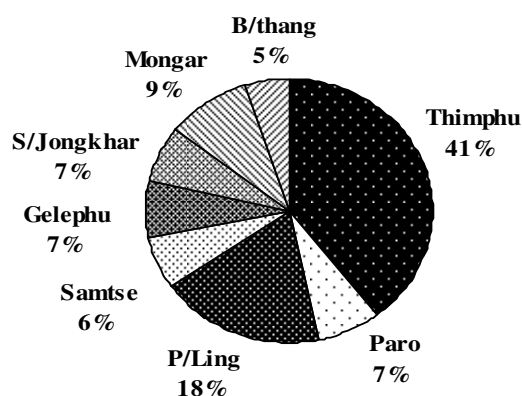
Figure 15: BIT Profile



#### 4.1.3 PIT PAYERS

A total of 26,356 filed their PIT returns for the IY 2008, as of 31<sup>st</sup> March 2009. The highest number of filers was recorded under Thimphu RRCO at 41%, followed by RRCO Phuentsholing at 18% and RRCO Mongar at 9%. A detailed region wise PIT filer distribution is shown in the figure below.

Figure 16: PIT filer Distribution

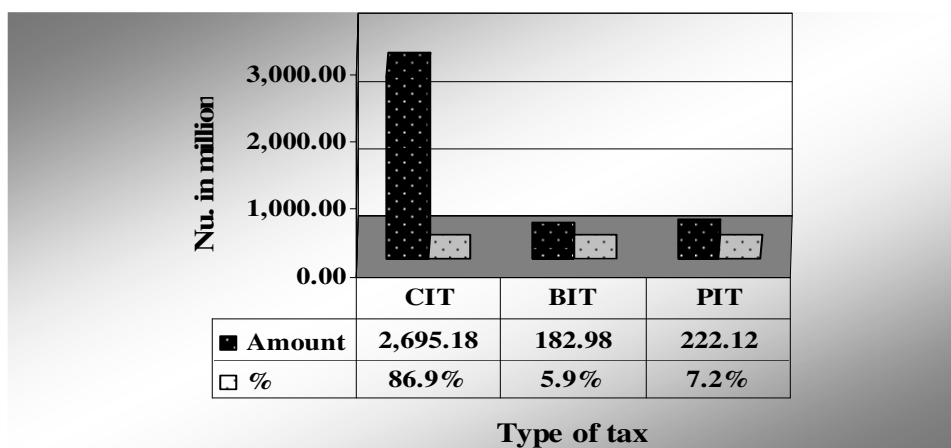


#### 4.2 SELF DECLARATION HIGHLIGHTS FOR IY 2008

Taxes are either collected in the form of advance tax, provisional tax or Tax Deducted at Source (TDS). The tax collection figure under this part refers to the self declared amount computed from the returns received as of 31st of March 2009.

The total self declared tax, on account of BIT, CIT and PIT, amounted to Nu. 3,100.28 million for the IY 2008. The collection from CIT recorded the highest amounting to Nu. 2,695.18 million, followed by PIT at Nu. 222.12 million, and BIT at Nu. 182.97 million.

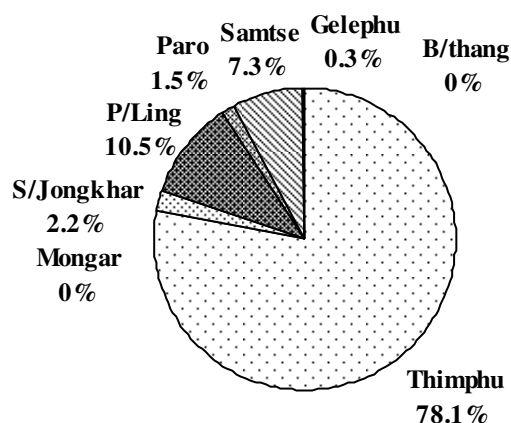
**Figure 17: Tax Revenue Composition**



### 4.3 CIT COLLECTION:

The total CIT collection amounted to Nu. 2695.18 million. This is 86.9% of the total direct tax revenue. On the other hand, PIT and BIT taxpayers, while constituting 99.7% of the total tax filers, accounted for only 13.1% of the total tax revenue.

**Figure 18: Region wise CIT collection:**



RRCO Thimphu collected 78.1% of the total CIT declared for the IY 2008. RRCO Phuentsholing collected 10.5% followed by RRCO Samtse at 7.3%, RRCO Samdrup Jongkhar at 2.2%. There was no collection from RRCO Mongar and RRCO Bumthang.

### 4.3.1 TOP FIVE CIT PAYERS

The revenue generated from the top five CIT payers constituted 78.45% (Nu. 2085.1 million) of the total CIT collection. M/s Druk Green Power Corporation Ltd, a conglomerate consisting of all hydro power companies in the kingdom was the highest CIT contributor, followed by M/s Druk Holding and Investments Ltd., M/s Bhutan Power Corporation Ltd., M/s Bhutan National Bank Ltd. and M/s Penden Cement Authority Ltd.

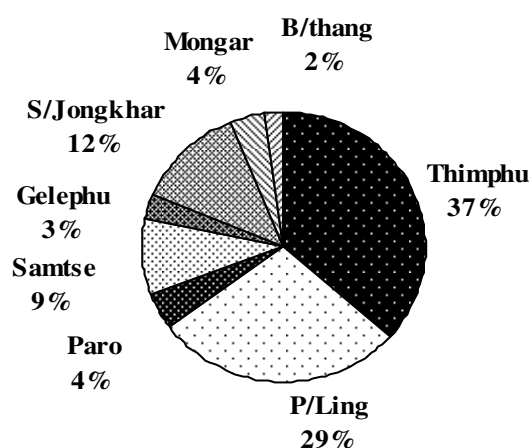
**Table 19: Top Five CIT Payers as per Self declaration**

SL. No.	Unit Name	Tax Amount (Nu)	RRCO
1	M/s Druk Green Power Corporation Ltd.	928,567,694	Thimphu
2	M/s Druk Holding and Investments Ltd.	646,646,050	Thimphu
3	M/s Bhutan Power Corporation Ltd.	242,074,346	Thimphu
4	M/s Bhutan National Bank Ltd.	138,270,011	Thimphu
5	Penden Cement Authority Ltd.	129,614,164	Samtse

## 4.4 BIT COLLECTION

The total BIT collection amounted to Nu. 182.96 million, of which 71.3% pertains to collection from the accounts filers and the other 28.7% from the estimated taxpayers. Among the regions, the highest collection was under RRCO Thimphu with 37 % followed by RRCO Phuentsholing with 29%.

**Figure 19: Region wise BIT Collection as of 31<sup>st</sup> March 2009**



### 4.4.1 TOP FIVE BIT PAYERS

The share of the top five BIT filers accounted for 29.21% of the total BIT collection amounting to Nu. Nu53.4 million as of 31<sup>st</sup> March 2009. M/s Sherja Equipment Hiring unit registered under RRCO Samdrup Jongkhar made the highest BIT declaration of Nu. 18.91

million, followed by M/s. Lhaki Cement, M/s TCC head office, M/s Hotel Druk and M/s Bhutan Hyundai Motors.

**Table 20: Top Five BIT Payers as per self declaration**

SL. No.	Unit Name	Tax Amount (Nu.)	RRCO
1	M/s Sherja Equipment Hiring Unit	18,920,100	Samdrup Jongkhar
2	M/s Lhaki Cement	13,410,661	Samtse
3	M/s TCC Head Office	9,727,904	Phuentsholing
4	M/s Hotel Druk	6,187,688	Phuentsholing
5	M/s Bhutan Hyundai Motors	5,207,935	Thimphu

#### 4.4.2 ESTIMATED COLLECTION

The total estimated collection amounted to Nu. 52.42 million, contributing almost 29% of the total BIT collection and 1.69% of the total direct tax revenue. Among RRCOs, the contribution to the total direct tax revenue from RRCO Thimphu was the highest at 0.72%, followed by RRCO Phuentsholing at 0.36%, RRCO Mongar at 0.15%, RRCO Gelephu at 0.14%, RRCO Bumthang at 0.12%, RRCO Paro at 0.10% and RRCO Samdrup Jongkhar at 0.05% and RRCO Samtse at 0.04%.

The national average collection per estimated unit was Nu.4, 205 and the lowest and highest collection at Nu.1, 121 and Nu.190, 923 respectively. Amongst the RRCOs, both the lowest and highest collection was recorded in RRCO Thimphu with Nu.100 and Nu. 552,291 respectively.

**Table 21: Average Estimated Collection in 20 Dzongkhags**

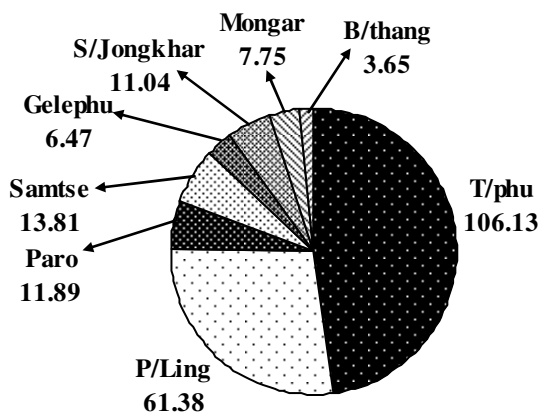
RRCO	Dzongkhags	No. of units from whom tax was collected	Actual estimated collection for 2008	% of Total Tax Rev (Nu.3100.28)	Average Tax Collected in 2008	Min. Tax Collected per TP	Max. Tax Collected per TP
Thimphu	Thimphu	2168	18,275,373	0.59%	8430	100	552,291
	Wangdue	440	2,202,330	0.07%	3997	100	44,906
	Punakha	286	1,758,461	0.06%	6148	200	57,561
	Gasa	15	89,220	0.003%	5948	300	3,850
	<b>Subtotal</b>	<b>2909</b>	<b>22,325,384</b>	<b>0.72%</b>	<b>7675</b>	<b>700</b>	<b>658,608</b>
Paro	Haa	169	378,934	0.01%	2242	600	29,700
	Paro	943	2,818,871	0.09%	2989	600	60,000
	<b>Subtotal</b>	<b>1112</b>	<b>3,197,805</b>	<b>0.10%</b>	<b>2876</b>	<b>1,200</b>	<b>89,700</b>
P/Ling	Chhukha	1398	11,259,987	0.36%	8054	300	315,455
	<b>Subtotal</b>	<b>1398</b>	<b>11,259,987</b>	<b>0.36%</b>	<b>8054</b>	<b>300</b>	<b>315,455</b>

<b>Gelephu</b>	Dagana	524	742,483	0.02%	1417	500	14,700
	Sarpang	586	818,224	0.03%	1396	500	35,200
	Tsirang	520	1,007,440	0.03%	1937	500	27,000
	Gelephu	1314	1,752,667	0.06%	1334	500	17,000
	<b>Subtotal</b>	<b>2944</b>	<b>4,320,813</b>	<b>0.14%</b>	<b>1468</b>	<b>2,000</b>	<b>93,900</b>
<b>Samtse</b>	Samtse	1014	1,267,727	0.04%	1250	600	10,100
	<b>Subtotal</b>	<b>1014</b>	<b>1,267,727</b>	<b>0.04%</b>	<b>1250</b>	<b>600</b>	<b>10,100</b>
<b>Mongar</b>	Lhuentse	145	290,314	0.01%	2002	400	12,000
	Mongar	655	2,410,332	0.08%	3680	400	50,000
	Tashi yangtse	290	439,617	0.01%	1516	500	17,000
	Tashigang	651	1,469,782	0.05%	2258	250	24,000
	<b>Subtotal</b>	<b>1741</b>	<b>4,610,046</b>	<b>0.15%</b>	<b>2648</b>	<b>1,550</b>	<b>103,000</b>
<b>S/Jongkha</b>	Pemagatshel	581	706,623	0.02%	1216	500	18,300
	S/Jongkhar	768	969,830	0.03%	1263	500	47,400
	<b>Subtotal</b>	<b>1349</b>	<b>1,676,453</b>	<b>0.05%</b>	<b>1243</b>	<b>1,000</b>	<b>65,700</b>
<b>Bumthang</b>	Bumthang	458	1,774,035	0.06%	3873	520	34,500
	Zhemgang	253	825,085	0.03%	3261	600	17,200
	Trongsa	237	1,166,726	0.04%	4923	500	39,000
	<b>Subtotal</b>	<b>948</b>	<b>3,765,845</b>	<b>0.12%</b>	<b>12058</b>	<b>1620</b>	<b>90700</b>
<b>OVERALL</b>		<b>12,467</b>	<b>52,424,060</b>	<b>1.69%</b>	<b>4,205</b>	<b>1,121</b>	<b>190,923</b>

#### 4.5 PIT COLLECTION

PIT collection amounted to Nu.222.12 million, constituting 7.16% of the total direct tax collection.

Figure 20: Region wise PIT Collection: (in million Ngultrum)



RRCO Thimphu alone accounted for 48% of the total PIT revenue collection followed by RRCO Phuentsholing at 28%, RRCO Samtse at 6%, RRCO Paro at 5%, RRCO S/Jongkhar at 4% and so on. The self declared tax from top 10 PIT filers for IY 2008 accounted for 10% of the total PIT revenue.

## 4.6 TAX REFUND

The total direct tax collection from self declaration amounted to Nu.3,100.28 million for the IY 2008. The total refund amount claimed but not refunded or assessed as of 31<sup>st</sup> March 2009 amounted to Nu. 67.62 million. This translates to 2.18% of the total self declared tax. PIT refund claim under PIT amounted to Nu. 46.21million, while BIT and CIT refund claims amounted to Nu. 21.41 million. Amongst the regional offices, RRCO Thimphu recorded the highest refund claim, followed by RRCO Phuentsholing. The lowest refund was claimed in RRCO Paro amounting to Nu. 0.83 million.

**Table 22: Region wise Refund claimed as per self declaration**

Regions	Type of Tax			Total Refund	% of refund claimed
	PIT	BIT	CIT		
Thimphu	22,843,441.32	10,525,259.54	6,927,899.52	40,296,600.38	59.59%
Phuentsholing	7,259,106.45	3,535,347.99	89,929.24	10,884,383.68	16.10%
Paro	549,074.00	290,887.99	-	839,961.99	1.24%
Samtse	3,007,244.48	-	-	3,007,244.48	4.45%
Gelephu	2,753,005.64	-	-	2,753,005.64	4.07%
S/Jongkhar	3,473,504.75	-	-	3,473,504.75	5.14%
Mongar	4,072,583.94	-	-	4,072,583.94	6.02%
Bumthang	2,254,116.06	43,617.90	-	2,297,733.96	3.40%
<b>Total</b>	<b>46,212,076.64</b>	<b>14,395,113.42</b>	<b>7,017,828.76</b>	<b>67,625,018.82</b>	<b>100.00%</b>



## PART V

### TAX HOLIDAYS AND INCENTIVES

#### 5.1 Tax Holidays and Incentives

As per the Ministry of Finance's notification DRC/TP-02/2002-878/ dated 13<sup>th</sup> September 2002, Tax holiday period ranging from three to seven consecutive years were given to manufacturing industries, information technology training and vocational institutes, hotels, schools and auto mechanical workshops depending on the nature of the business and location.

As on 31<sup>st</sup> of December 2008, 8 corporations, 15 incorporated companies, 14 non-incorporated companies, 16 hotels, and 8 schools and institutes are still under tax holidays. The details are given below

**Table 23: Corporations Enjoying Tax Holidays**

Name of Unit	Location	Holiday Period		Forgone CIT		Period
		From	To	IY 2006	IY 2007	
Druk Seed Corporation	Paro	2002	until fully commercialized(a/cs not submitted as on date)			
Bhutan Eco Ventures Pvt. Ltd	Paro	2004	2009	Loss	Loss	5
Bhutan Broadcasting Services Ltd.	Thimphu	2006	2013	Loss	Loss	5
BDFC	Thimphu	2002	2009	26,486,322.90	20,889,847.50	7
Handicrafts Development Corporation	Thimphu	2002		825,295.62	598,989.95	
Bhutan GRC	Thimphu	2004	2011	311,268.36	1,354,385.16	7
Bhutan Times Ltd.	Thimphu	2006	2010	173,110.15	604,160.85	5
Bhutan Observer Pvt. Ltd	Thimphu	2006	2010	Loss	109,282.29	5
<b>Total Forgone CIT</b>					<b>23,556,665.75</b>	

**Table 24: Incorporated Companies Enjoying Tax Holidays**

Name of Unit	Location	Holiday Period		Forgone CIT		Period
		From	To	IY 2006	IY 2007	
Druk Plaster and Chemicals	S/Jongkhar	2003	2010	868,992.90	583,221.90	7
SD Eastern Bhutan Ferro Silicon Pvt. Ltd.	S/Jongkhar	2007	2010	Nil	11,141,089.42	3
Rangshar Industries Pvt. Ltd	Phuentsholing	2004	2007	3,625,828.05	1,479,591.01	3
Samphel Norbu Products (P) Ltd	Phuentsholing	2005	2008	2,914,060.41	702,388.85	3
Bhutan Bewery Pvt. Ltd	Phuentsholing	2006	2009	Loss	Loss	3
RSA Pvt. Ltd (Marble processing unit)	Phuentsholing	2006	2009	1,523,573.10	4,607,010.30	3
Bhutan Metal (P) Ltd	Phuentsholing	2005	2008	6,045,159.90	14,250,178.50	3
Kenpa Pvt. Ltd (Vanaspati)	Phuentsholing	2006	2009	3,598,548.90	6,283,265.70	3
Mega Pvt. Ltd (Vanaspati)	Phuentsholing	2006	2009	354,594.28	4,186,000.05	3
Bhutan Cable Industries Pvt. Ltd.	Phuentsholing	2007	2009	-	Loss	3
BCCL (Silico Magenese Unit)	Phuentsholing	2006	2008	4,326,993.58	9,454,515.35	3
Bhutan Health Food Products Ltd.	Phuentsholing	2007	2009	Loss	Loss	3
Bhutan Rolling Mills Pvt. Ltd	Phuentsholing	2007	2009	-	Loss	3
K.L.S Wire Private Ltd.	Phuentsholing	2007	2009	-	Loss	3
Jigme Plotex Pvt. Ltd (mftg div)	Samtse	2004	2007	402,453.79	Loss	3
<b>Total Forgone CIT</b>					<b>52,687,261.08</b>	

**Table 25: Business Units Enjoying Tax Holidays**

Name of Unit	Location	Holiday Period		Forgone BIT		Period
		From	To	IY 2006	IY 2007	
Yarkay Poly Products	Phuentsholing	2004	2007	3,052,322.69	586,423.03	3
Yarkay Jewellery	Phuentsholing	2004	2007	32,486.93	Loss	3
Druk Iron and Steel Industries	Phuentsholing	2004	2007	1,013,026.63	Loss	3
Bhutan Battery	Phuentsholing	2005	2008	Loss	Loss	3
Bhutan Packaging Industry	Phuentsholing	2005	2007	Loss	Loss	3
Rabten Wire Industries	Phuentsholing	2006	2009	15,006.32	Loss	3
Om Chips & Food Processing Unit	Phuentsholing	2006	2009	Loss	Loss	3
Lhaki Poles & Allied Industries	Gomtu	2005	2008	Non-operl.	Loss	3
Druk Lukzokhang	Phuentsholing	2006	2008	5,506.52	2,207.39	3
Bhutan Concrete Bricks	Thimphu	2007	2010	Loss	Loss	3
2 Q Engineering Works	Paro	2005	2008	-	-	3
Sonam Fabrication Workshop	Paro	2005	2008	-	63,221.17	3
Barma Chemical Inductry	S/Jongkhar	2003	2009	-	49,520.92	7
Satar Poultry & Animal Feeds	Gelephu	2007	2009	-	8,044.20	3
<b>Total Forgone BIT</b>					<b>709,416.70</b>	

**Table 26: Schools and Institutes Enjoying Tax Holidays**

Name of Unit	Location	Holiday Period		Forgone BIT		Period
		From	To	IY 2006	IY 2007	
Kuen-Gaa Higher Secondary School	Paro	2004	2009	711,953.00	328,973.50	5
Yoezerling Pry. School	Paro	2003	2008	42,993.98	39,880.63	5
K. Gangri Pry. School	Paro	2006	2009	Loss	Loss	5
Tenzin Primary School	Paro	2006	2009	Loss	Non-Operl	3
Dzongkha Language Institute	Thimphu	2005	2008	29,816.10	18,691.47	3
Kuenphen Institute of Technology	Thimphu	2004	2008	47,289.00	74,432.10	5
Bhutan Centre for Excellence	Thimphu	2007	2010	-	Loss	3
E-Druk IT Institute	Thimphu	2007	2010	-	Loss	3
<b>Total Forgone BIT</b>					<b>461,977.70</b>	

**Table 27: Hotels Enjoying Tax Holidays**

Name of Unit	Location	Holiday Period		Forgone BIT		Period
		From	To	IY 2006	IY 2007	
Rinchenling Lodge	Paro	2004	2009	144,052.66	Loss	5
Namsay Choling Resort	Paro	2005	2010	loss	Loss	5
Holiday Home, Paro	Paro	2004	2008	loss	135,542.30	5
Hotel Joryang	Paro	2004	2007	168,666.79	Loss	3
Risum Resort	Paro	2004	2009	Loss	Loss	5
Hotel Zhiwaling	Paro	2005	2008	Loss	Loss	3
Hotel Jigmeling	Paro	2006	2009	Loss	Loss	3
Hotel Paro	Paro	2007	2009	NA	Loss	3
Hotel Tashiling	Thimphu	2006	2008	-	Loss	3
Bhutan Resort Corporation Limited:						
i. Amankora, Punakha	Punakha	2005	2010	-	12,565,248.90	5
ii. Amankora, Gangtey	Wangdue	2005	2010			
iii. Amankora, Paro	Paro	2004	2009			
Hotel Dewachen	Wangdue	2004	2009	320,064.41	479,687.77	5
Yangkhil Resort	Trongsa	2004	2009	Loss	Loss	
Yoezerling Hotel	Bumthang	2006	2010	-	Loss	5
<b>Total Forgone BIT</b>					<b>13,180,478.97</b>	

## 5.2 Exempted Organizations

Donations made to the following organizations are exempted from taxes as per Rule No.1.7, Part III of the Rules on the Income Tax Act 2001. However, the exemptions are not

automatic and shall be required to be registered under the relevant act and authorities governing such entities.

- a. Youth Development Fund
- b. Bhutan Health Trust Fund
- c. National Women's Association of Bhutan,
- d. Royal Society for the Protection of Nature
- e. Bhutan Trust Fund
- f. HRH Prince Namgyal Wangchuk Charitable Trust
- g. World Peace Moenlam Tshokchen
- h. India-Bhutan Foundation Trust Fund
- i. RENEW
- j. Tarayana Foundation

Similarly, the shareholding and fixed deposits in the name of the following organizations were also exempted from PIT as per Part III Rule No. 1.7 of the Income Tax Rules, 2001.

- a. Royal Government of Bhutan
- b. Royal Bhutan Army
- c. Central Monastic Body
- d. Other monk bodies such as Rabdeys under the administrative control of the Central Monastic Body
- e. Kajung Phunsum Lhakhang, Kurjey, Bumthang
- f. Yum Rani Choing Wangmo Dorji's Trust Fund

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