

## Rules on Tax (Amendment) Act of Bhutan 2020 (pertaining to Section 6 of the Act)

Following Sales Tax (ST) exemption on prepaid and post telecom services upon enactment of the Tax (Amendment) Act of Bhutan 2020, the Ministry of Finance hereby issues Rules on processing refund of 5% ST on Telecom services collected from 16<sup>th</sup> January to 25<sup>th</sup> May 2020, as follows:

### 1. General conditions for refund claims

The following conditions will apply for refund claims:

- a. Sales Tax pertaining to the refund claim is deposited by the telecom service provider with the Department.
- b. Refund claims shall pertain to services availed on or after 16<sup>th</sup> Jan 2020.
- c. Refund claimant is an active subscriber at the time of making a refund claim.
- d. All refund claims shall be made within **three months** from the date of issue of the Notification No. DRC/STD(Policy)/01/2020/2315, dated 25<sup>th</sup> May 2020.

### 2. Procedures for refund

The following procedures shall be observed while processing the refunds:

- a. Duly completed refund Application Form with sign and seal (where applicable) must be submitted to the RRCO where Sales Tax was deposited.
- b. Data Usage Form that is duly authenticated by a concerned telecom service provider must be submitted.
- c. Copy of the relevant telephone bill and valid money receipts issued by the concerned telecom service provider must be submitted.

### 3. Verification process

- a. The concerned RRCO shall check the fulfillment of the above conditions and procedures upon receipt of a refund claim application.
- b. The RRCO shall verify if there are any outstanding taxes/duties/fees owed to the Department by the refund claimant or its sister concerns, in case of business.

### 4. Approval of refund

- a. The concerned RRCO shall carry out due diligence with respect to fulfillment of the above procedures.
- b. The RRCO shall ensure that all outstanding taxes/duties/fees owed against the Department are fully settled or adjusted before arriving at the final refund amount payable to a claimant.
- c. The RRCO shall forward the Refund Payment Approval Form, along with the Application Form to the DRC, HQ, for refund disbursement/payment.
- d. The refund amount shall be disbursed either through bank transfer into the claimant's bank account or by issuing an Account Payee cheque.

