



དངུལ་རྩིས་ལྷན་ཁག།
ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHHO DZONG
THIMPHU



Rules on Refund of excess Customs Duty (CD)

In exercise of the powers conferred by Section 187 of the Customs Act of Bhutan 2017, the Ministry of Finance hereby promulgates the Rule on refund of excess customs duty levied in addition to Chapter 19 of the Customs Rules and Regulation of Bhutan 2017.

General Conditions for claim of refund.

1. The following conditions shall apply for claim of refund:

- (1) The refund is applicable for imports made on or after 31st May 2021 to the date of Public Notification issued by the Ministry of Finance;
- (2) The refund shall be only eligible on the commodities sold at a reduced price due to the reduction of CD rates or on the unsold commodities.
- (3) The application for refund is correctly filled and signed by the importer as per the form prescribed in Annex XXXVIII of Customs Rules and Regulation of Bhutan 2017;
- (4) There is no outstanding customs duty, fines, penalties or interest against the importer including its sister concern business;
- (5) Refund claims should be processed through the nearest Regional office;
- (6) All refund claims shall be made within 1 year from the date of import of goods;
- (7) A claimant shall submit a refund claim supported by the following documents:
 - (a) Duly filled Annex XXXVIII;
 - (b) Copy of Import Declaration form; and
 - (c) Original Revenue Receipt;



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Verification Process

2. The Department shall verify the application and physically verify and proceed with the refund in accordance with this rule.
3. In the case of sold stocks, the claimant shall submit a copy of the invoice or cash memo substantiating the sale at a reduced price due to reduction in CD rates.
4. In the case of the unsold commodities, the claimant shall submit the detailed inventory of unsold stock.

Approval of refund

5. The concern RRCO shall:

(1) carry out due diligence with respect to fulfilment of the above procedures; and

(2) forward the refund approval form, along with the application form to the DRC for refund disbursement/payment.

As per section 144 (5) of the Customs Act of Bhutan 2017 an applicant who fails to comply with the government notification and conditions shall be liable to pay a fine ranging from Nu. 5,000 to Nu. 100,000.

In addition, as per section 146 (5) an applicant who commits forgery of documents related to import of goods shall be criminal offence and liable for prosecution as per Penal Code of Bhutan.