



དངུལ་ཕྱི་སྒྲོན་པོ།  
FINANCE MINISTER

དངུལ་ཕྱི་སྒྲོན་པོ།  
ROYAL GOVERNMENT OF BHUTAN  
MINISTRY OF FINANCE  
TASHICHHO DZONG  
THIMPHU



MoF/DRC/Fiscal Measures-COVID-19/2022/27

6<sup>th</sup> July, 2022

**NOTIFICATION**

**Subject: Fiscal Measures Phase IV**

With the country transitioning to Phase II of COVID-19 management and the subsequent easing of COVID-19 restrictions, most recent being the lifting of five-day facility quarantine for incoming travelers from 4<sup>th</sup> July 2022, the focus of the Government is on resilient economic recovery. Although the pandemic situation has improved, some businesses still require support with cash flow in meeting their operational costs while some are recuperating from the effects of repeated lockdowns and economic downturn due to the pandemic.

Based on the review of economic performance in consultation with relevant stakeholders, the Government announces the Fiscal Measures Phase IV with effect from 1<sup>st</sup> July, 2022 to 31<sup>st</sup> December, 2022.

**I. Taxes, Duties and Other Charges:**

**1. BIT/CIT Deferral:**

Tour operators, hotels and airline companies can defer payment of self-declared tax (BIT/CIT) for Income Year 2019 till 31<sup>st</sup> December 2022. The BIT/CIT deferral shall be extended upon application to the concerned Regional Revenue & Customs Office.

**2. Waiver of monthly rental and other charges to tourism and allied business entities using leased government properties:**

Payment of monthly rent and other charges to tourism related business entities leasing Government property shall be waived from July, 2022 till December, 2022.

**3. Electricity Charges to Industries:**

**3.1. Demand Charges for HV (High Voltage) Industries:**

Payment of demand charges on actual consumption basis is extended until 31<sup>st</sup> December, 2022. The deferral of payment for demand charges is to be provided on a case-by-case basis upon application for the period July to December, 2022. The deferral of payment shall be determined by the MoEA and the MoF.

**3.2. Demand Charges for MV (Medium Voltage) Industries:**

For the MV industries, the demand charges on actual consumption basis and payment deferment of demand charges for affected industries is to be provided on a case-by-case basis upon application for the period July to December, 2022. The deferral period shall be determined by the MoEA and the MoF.



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## II. Regulatory Reforms: Relaxation of Procurement Rules and Regulations:

### 1. Performance Security:

Recognizing the cost to the bidders, the existing Performance Security of 10% of the quoted price is reduced to 5%. As per existing practices the performance security may be submitted in the form of Bank Guarantee or Cash Warrant or Demand Draft or online submission through any banks prior to formal signing of the contract agreement. Penalties shall remain the same as per the contract terms and conditions in case of any failure to comply with the contractual obligations.

### 2. Replacing Bid Security of 1-2%:

With the objective of easing financial burden to the bidders, the Bid Securing Declaration is introduced on Procurement of Works (above Nu5.00 Million) and Procurement of Goods (above Nu.0.500 Million). Any defaulting bidders shall be served with a notice to deposit the stated amount in the Bid Securing Declaration within 5 days failing which the bidder shall be debarred (across all Government Agencies) for a period of one year.

The procuring agency has the authority to immediately go to the next bidder, once the notice is served to the defaulting bidder.

### 3. Secured/ Material Advance:

Payment of 75% of the original invoice as secured/material advance is enhanced to 100% upon verification by Site Engineer and confirming the materials are on site. The procuring agency and the contractors shall ensure that all existing monitoring tools are complied with as per provisions of PRR and contract documents.

### 4. Evaluation Scoring of Owned and Hired Equipment:

Contractors participating in the procurement of works above Nu.5.00 million shall be allocated with 100 points for both owned and hired equipment unlike the existing practice of allocating 100 points for owned and 75 points for hired equipment.

With further relaxation of the COVID-19 restrictions from 4<sup>th</sup> July, 2022 the Government recognizing the need of the Contracting Partners to have adequate cash flow has provided the relaxation of the above regulatory requirements. The Government accordingly expects the Contracting Partners to ensure completion of quality works/goods/services in a timely manner.

Namgay Tshering

Copy to:

1. Dasho Zimpon, Office of the Gyalpoi Zimpon, Thimphu.
2. The Hon'ble Prime Minister, Gyalyong Tshokhang, Thimphu.
3. Hon'ble Ministers, All Ministries, Royal Government of Bhutan.
4. Dasho Governor, Royal Monetary Authority, Thimphu for kind information.
5. Dasho CEO, Druk Holding & Investments (DHI), Thimphu for kind information.
6. The Auditor General, Royal Audit Authority, Thimphu for information
7. All Constitutional Heads, Government Secretaries, Head of Autonomous Bodies, Dzongdags, Head of SoEs, Thrompons, Drungpas and Gups for information.
8. Secretary, Ministry of Finance, Tashichho Dzong for information.
9. Officiating Director General, DRC and DNP, Ministry of Finance for information.