

ACCELERATED BORDER CLEARANCE

Program for

AUTHORIZED TRADERS

(Extract from ABC-AT Concept Paper Version 0.3)

CUSTOMS & EXCISE DIVISION

DEPARTMENT OF REVENUE & CUSTOMS

Introduction & Rationale

- Bhutan accession to RKC and our commitment to simplify and harmonise the customs procedures;
- Smooth border facilitation is critical component of international trade and has become a significant driver to economic growth;
- The increasing trade volume and limited infrastructure at entry/exit points;
- The ranking of doing business report and government's initiatives to enhance and strengthen private sector development;
- Inculcating and encouraging the culture of compliance management and self assessment amongst the Bhutanese traders;
- Building capacity of the importers and raising awareness to the taxpayers.

OBJECTIVE, GOALS & SCOPE

GOALS

- *To facilitate trade at border checkpoint as to foster trust and partnership between Customs and Business (Traders)*
- *To simplify import clearance bottlenecks at the checkpoint*
- *To enhance and promote compliance*

OBJECTIVE

- *To implement an accelerated border clearance procedures on import through Authorized Traders program by 26th January 2015.*

SCOPE:

- *Imports from India and third country*
- *Single goods*
- *RRCO Phuentsholing*
- *For identified compliant traders*

Special Procedures for Authorized Traders (GA 3.32, RKC)

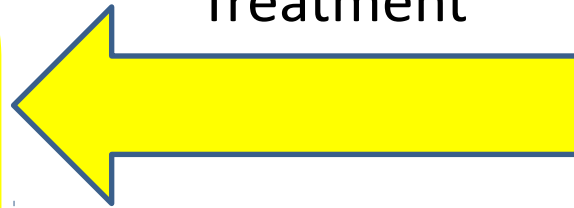
Authorized Traders

who meet criteria pre-established by Customs

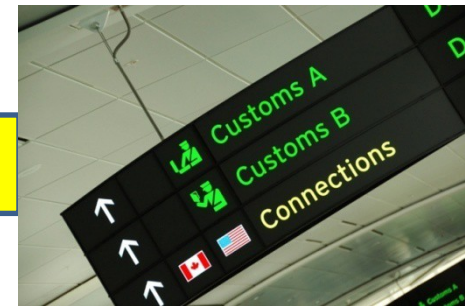
e.g.

- ✓ Good Compliance
- ✓ Commercial Records
- ✓ Timely duty/tax payment

Favorable Treatment



Customs



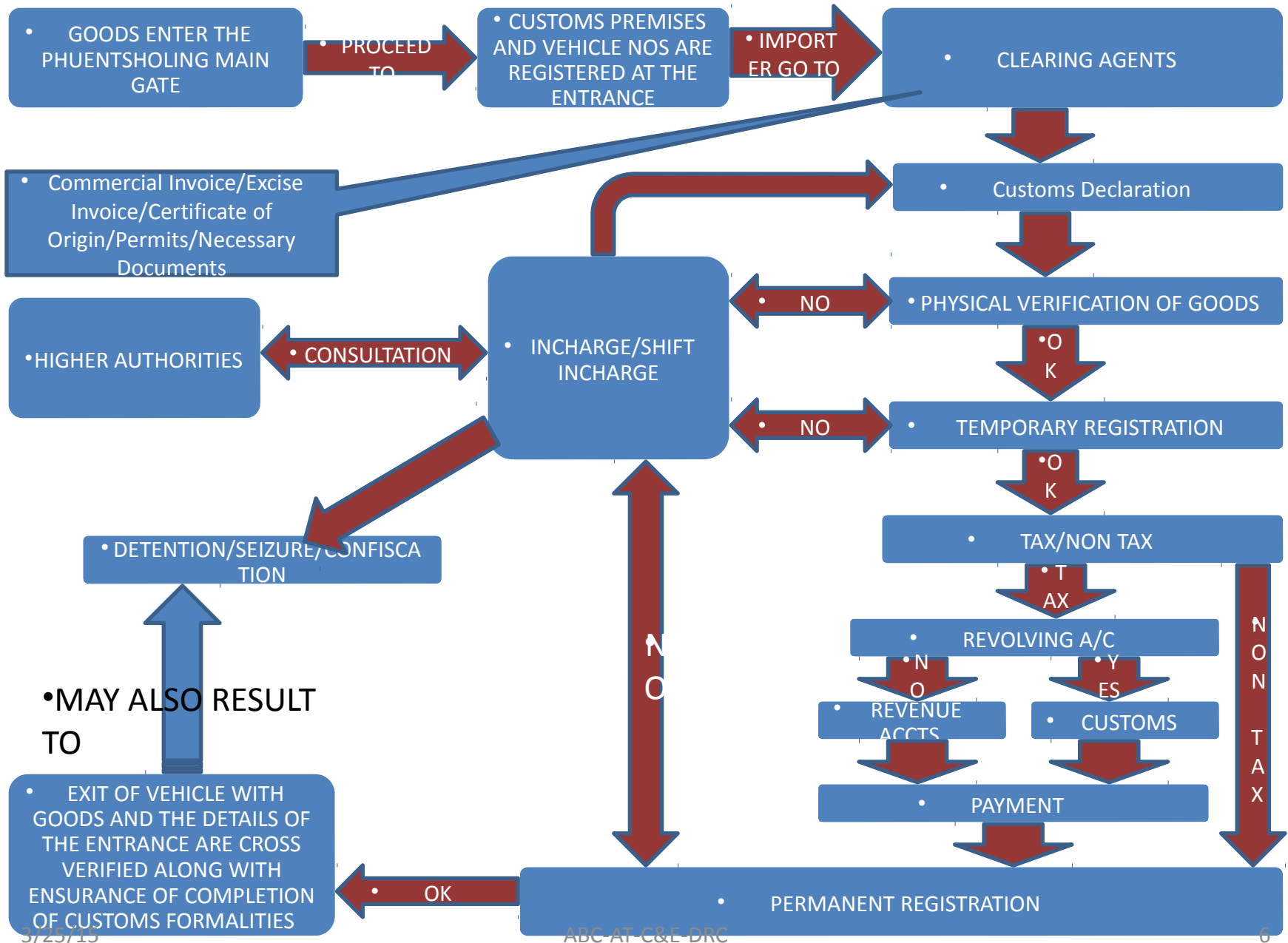
e.g.

- ✓ Release by minimum data
- ✓ Use of Importer's Premise + (if possible)
- ✓ Single Goods Declaration

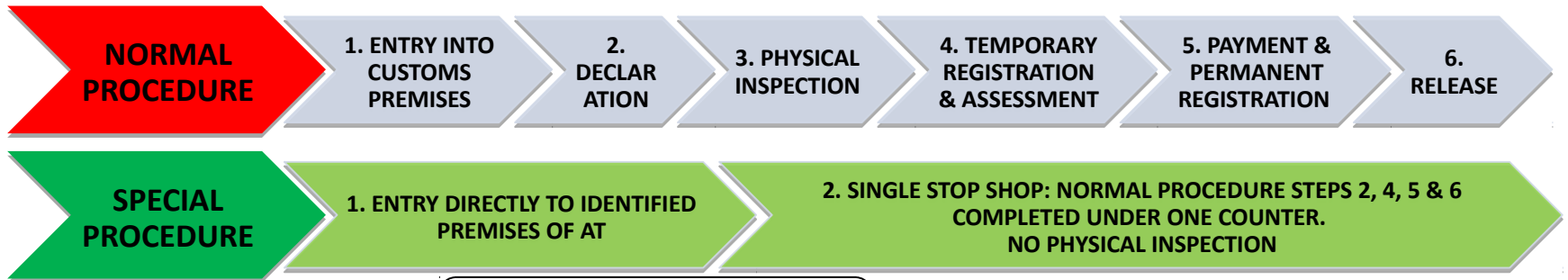
Indicative identified Authorized Traders

- Manufacturing
- Motor Vehicle
- Petroleum
- Major contractors of Hydro Power Projects
- Others: *major general importers*

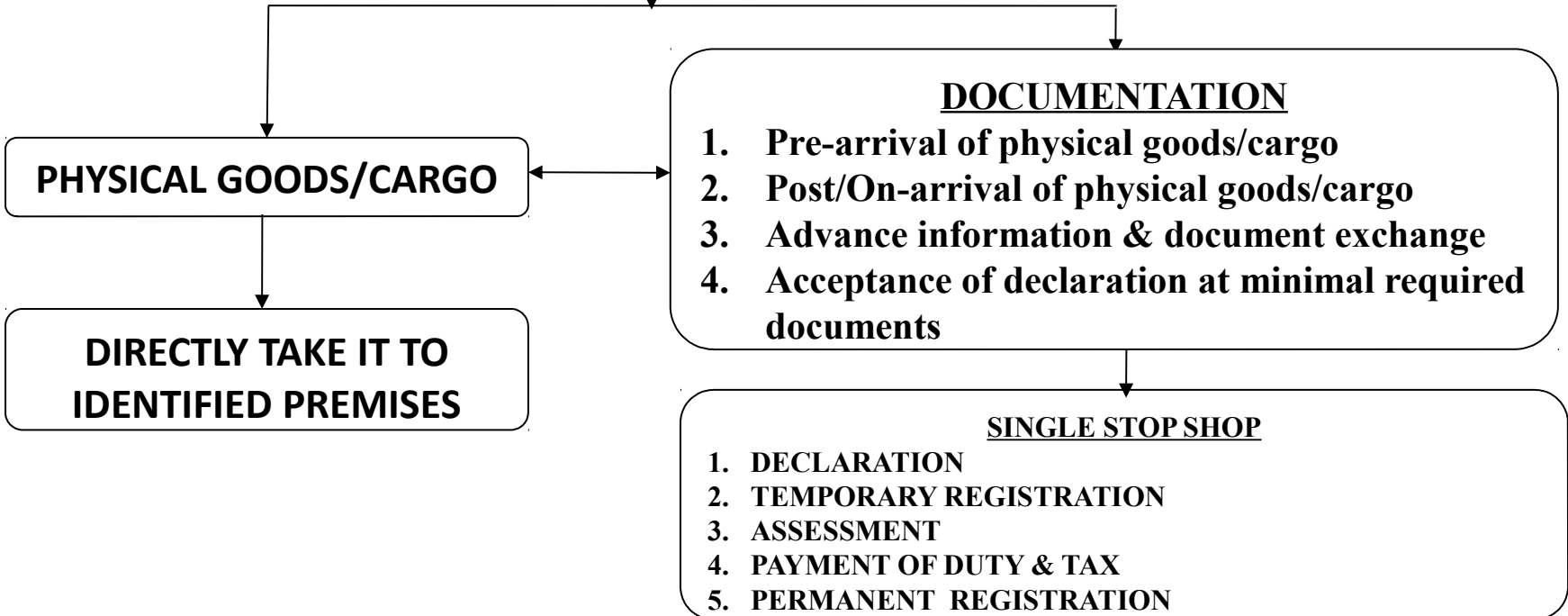
Normal/Existing Import Procedures



Simplified import procedures for AT



IMPORT FROM INDIA & THIRD COUNTRY



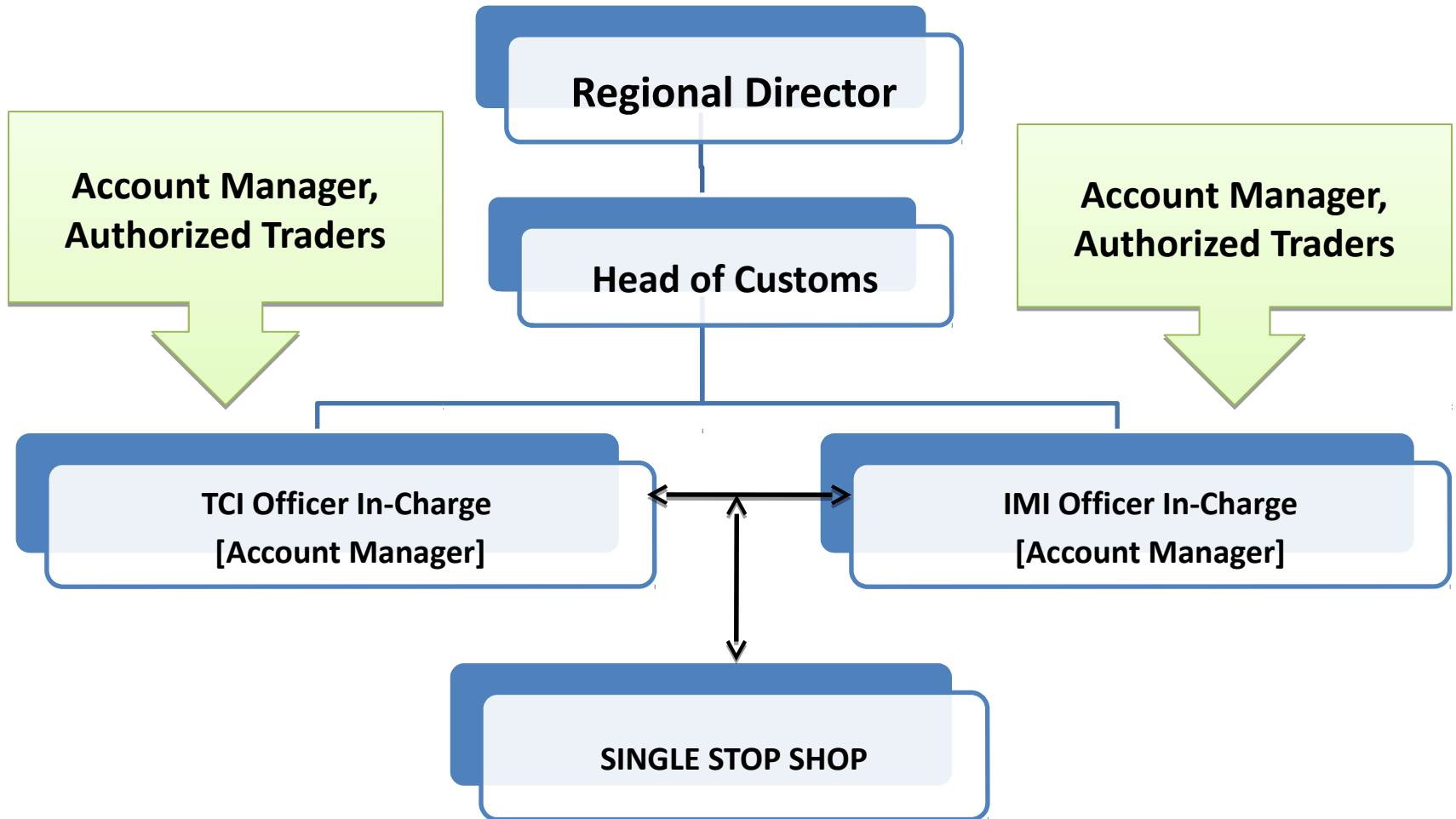
7. DOCUMENTATION PROCEDURE AND MOVEMENT OF GOODS/CARGO

7.1. PRE-arrival documentation process

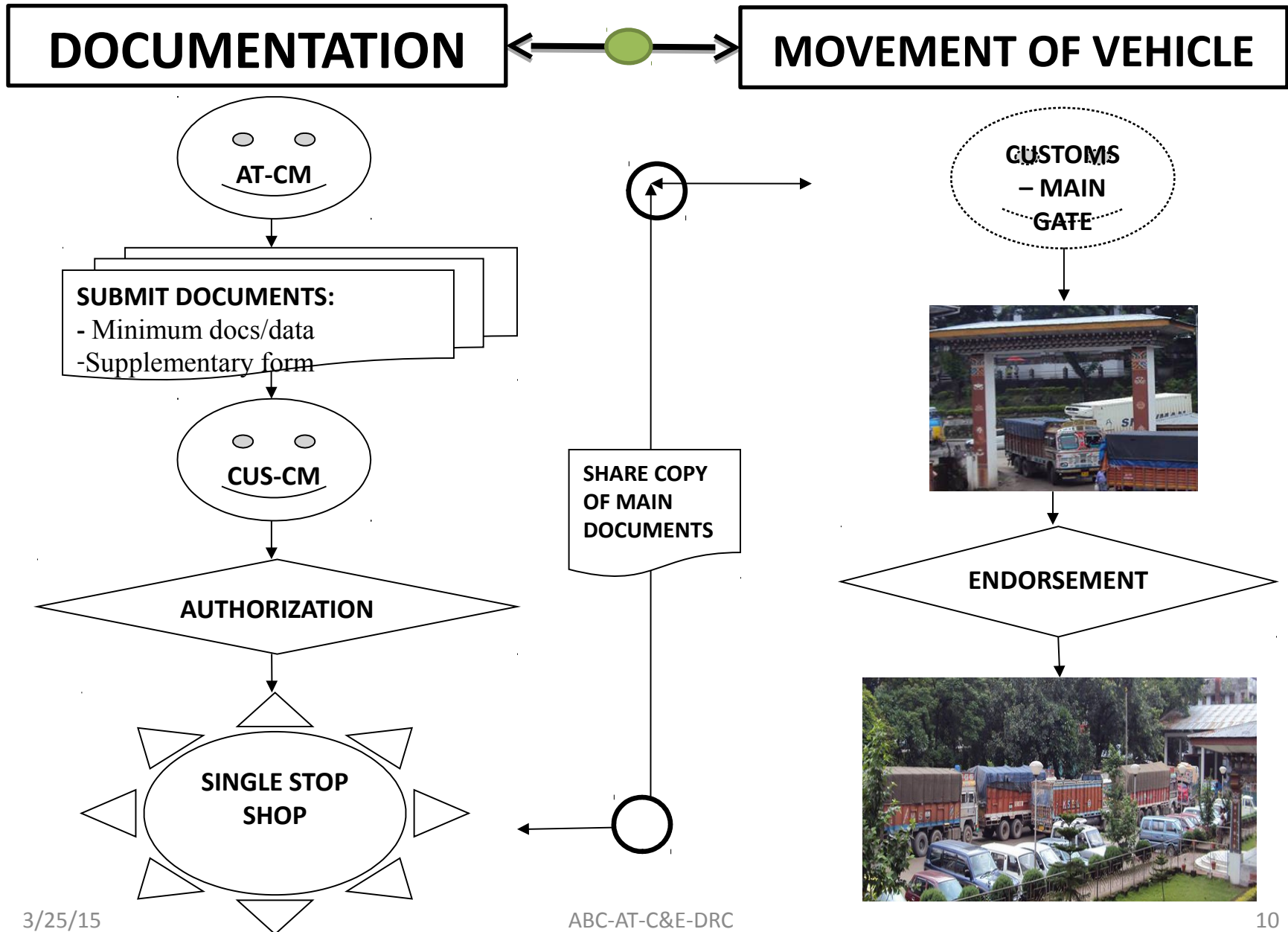
7.2. POST/ON-arrival documentation process

7.3. Single Goods Declaration documentation option

PROPOSED ORGANIZATIONAL STRUCTURE



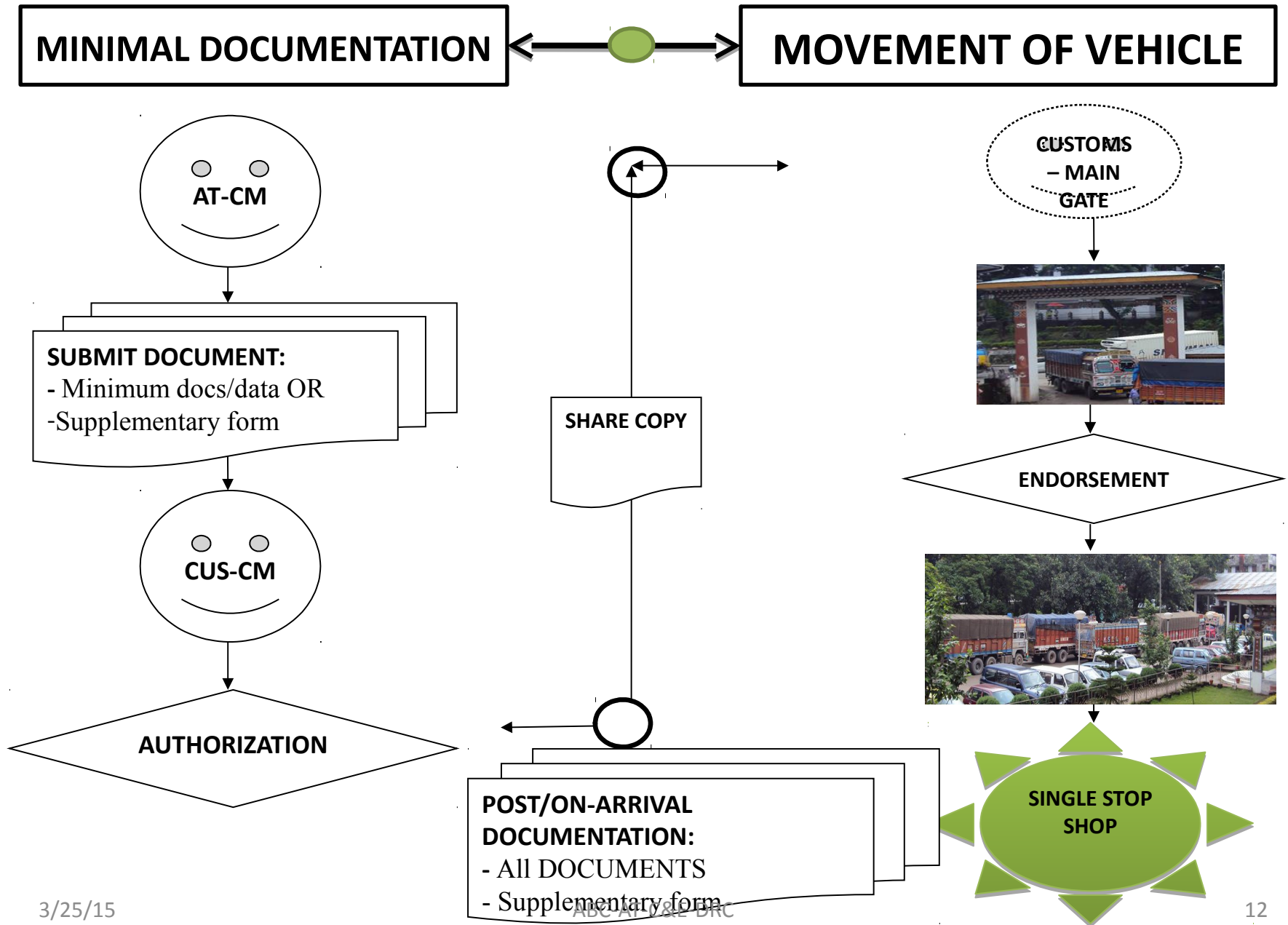
7.1. PRE-arrival documentation process



Conditions & Control

- 7.1.8. Identified premises located beyond Rinchendhing then Customs officials stationed at Rinchendhing checkpoint will further authenticate the import and provide supplementary endorsement on the documents.
- 7.1.9. In case of identified premises located within Rinchendhing checkpoint, a Customs officials will be assigned for on-site authentication of imports and endorsement of the documents.

7.2. POST/ON-arrival documentation process



7.3. SINGLE GOODS DECLARATION documentation option

7.3.1. Under both the pre and post/on arrival of goods/cargo, AT can process their documentation and lodge declaration with Customs covering multiple transactions over a certain period:

For example:

- If AT have multiple number of import consignments taken directly to the identified premises over a week period then processing their documents and lodging the declaration to Customs can be carried out on consolidate basis (not on transaction based)*

9. CUSTOMS CONTROL

“INTERVENTION BY EXCEPTION”

- 9.1. Based on risk assessment, Customs will on periodic basis conduct post clearance audit (PCA) on all accounts of AT with main focus on Customs core mandates and functions.
- 9.2. Based on intelligence and information received, Customs shall intervene where necessary for investigation, auditing or checks on the AT.
- 9.3. For assessment of AT compliance towards this program, Customs may from time to time carry out physical inspection and documentary checks on AT imports of goods/cargo.

10. GENERAL TERMS & CONDITIONS

- 10.1. AT-CM must ensure that the transporters and drivers exactly know in advance the address and exact location of the identified premises.
- 10.2. AT-CM must ensure that the vehicle carrying the goods/cargo go directly to the identified premises from the point of entry into Bhutan.
- 10.3. An identified premise is a premise that has been jointly agreed between the concerned Customs office/station and AT.
- 10.4. **Minimum acceptable documents and data required are:**
 - 10.4.1. *Invoice containing detail information about the goods/cargo*
 - 10.4.2. *Transporter details: Vehicle no., container no. driver name & contact etc.*
- 10.5. All requirements and provisions of this program shall be under the purview of the Sales Tax, Customs and Excise Act and Rules of the Kingdom of Bhutan 2000 such as documentation requirements and applicability of fines and penalties on offenses etc.
- 10.6. AT will maintain proper books of accounts, records and documents relating to special services and procedures availed as incentives and every import clearance processed under this program separately.

GENERAL TERMS & CONDITIONS.....Contd.

- 10.7. AT-CM and Customs-CM must play a critical role and responsibilities in ensuring the success of this program.
- 10.8. AT-CM and Customs-CM must ensure efficient and effective communication channel, flow of information and coordination for this program.
- 10.9. AT-CM and Customs-CM will time to time initiate, propose and conduct consultation meetings and awareness activities on the program as to further improve and streamline shortcomings observed.
- 10.10. AT shall ensure that this program is considered with high professionalism, integrity and do not misuse this program for any kind of illegitimate trade. IF found to do so, AT will be immediately disqualified from this program and will be considered as high risk traders who will be under highest vigilance and scrutiny of Customs and other law enforcement agencies. Further, immediate action will be taken and all applicable provisions of the laws including Sales Tax, Customs and Excise Act and Rules of the Kingdom of Bhutan 2000 shall be invoked.
- 10.11. AT shall honour and maintain trust and partnership principle of this program at all times.

BENEFITS & ADVANTAGES

1. Clearance of goods imported can be taken directly to the identified premises of the AT or another place authorized by the Customs.
2. Release of goods without the presentation of any document necessary to identify the goods, except for the identification of the goods.
3. **- Mutual recognition**
4. **- Enhance Compliance**
5. **- Strengthen TRUST and PARTNERSHIP**
5. Single window process
6. No requirements for Customs Bonding Agents (CFAs)
7. Pre/Post/On-arrival documentation processing
8. Pre-entry classification facility
9. Dedicated Customs consultation point (Contact Manager)

1ST CONSULTATIVE MEETING ON ABC-AT

1. INDUSTRIAL GROUP

- | |
|---|
| 1. Bhutan Ferro Alloys Limited |
| 2. Bhutan Carbide and Chemical Pvt Ltd |
| 3. Bhutan Brewery Pvt Ltd |
| 4. Bhutan Ferro Industries LTD |
| 5. Druk Ferro Alloys Pvt .Ltd |
| 6. Druk Wang Alloys Limited |
| 7. Bhutan Concast Pvt Ltd, |
| 8. Lhaki Steels & Rolling Pvt .Ltd |
| 9. Bhutan Steel Industries Limited |
| 10. Ugen Ferro Alloys Pvt .Ltd |
| 11. Saint-Gobain Ceramic Materials Bhutan |
| 12. BHUTAN BOARD PRODUCTS LTD (Co |
| 13. K.K Steel Pvt Ltd |
| 14. RSA Private Limited |
| 15. Tashi Beverages Limited |
| 16. Neethsel Private Limited |

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|--|
| 1. Bhutan Ferro Industries LTD |
| 2. Druk Wang Alloys Limited |
| 3. Lhaki Steels & Rolling Pvt .Ltd |
| 4. RSA Private Limited |
| 5. Neethsel Private Limited |
| 6. Association of Bhutanese Industries |

1ST CONSULTATIVE MEETING ON ABC-AT

2. MAJOR CONTRACTORS OF HPP

1. Hindustan Construction Company Ltd.

2. Jaiprakash Associates Ltd.

3. Gammon India Ltd.

4. Larsen & Toubro Ltd.

1. Hindustan Construction Company Ltd.

2. Jaiprakash Associates Ltd.

3. Gammon India Ltd.

4. Larsen & Toubro Ltd.

2nd CONSULTATIVE MEETING ON ABC-AT

3. MOTOR VEHICLE GROUP

1. Bhutan Hyundai Motor
2. Singye Agencies
3. State Trading Corporation Of Bhutan
4. Zindra Automobiles

1. Singye Agencies
2. State Trading Corporation Of Bhutan
3. Zindra Automobiles

4. PETROLEUM GROUP

1. Damchen Petroleum Distributors
2. DRUK PETROLEUM CORPORATION
3. T C C P (Bod & Boc)

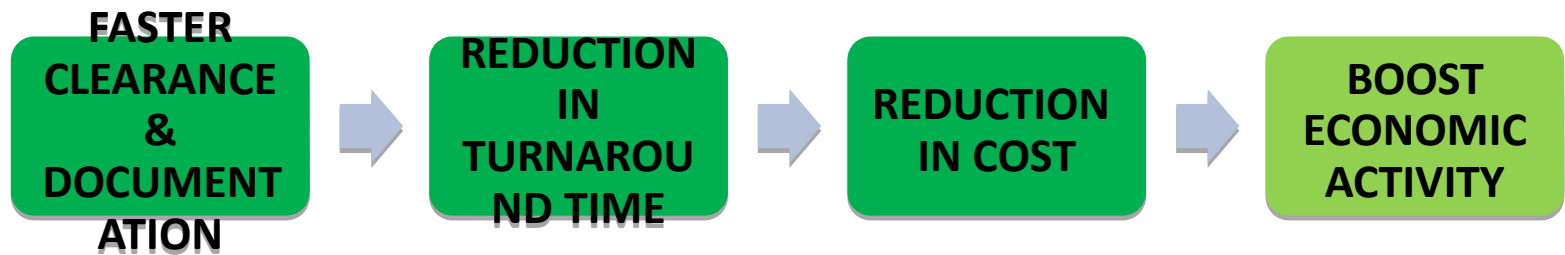
1. Damchen Petroleum Distributors
2. DRUK PETROLEUM CORPORATION
3. T C C P (Bod & Boc)

5. RETAIL/WHOLESALE GROUP

1. Food Corporation of Bhutan
2. Tashi Commercial Corporation
3. JPLP Shop
4. Ramprit Stores
5. Sha & Sons
6. Damchen Agencies

1. Food Corporation of Bhutan
2. Tashi Commercial Corporation
3. JPLP Shop
4. Ramprit Stores
5. Sha & Sons (Not Feasible)
6. Damchen Agencies

BROADER PICTURE



TASHI DELEK & HAPPY NEW YEAR!

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