



དངུལ་རྩིས་ལྷན་ཁག།

ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHO DZONG



MoF/DRC/STD/FI/04/2022/ 1873

4th April 2022

The Secretary
Ministry of Agriculture and Forest
Thimphu

Subject: Fiscal Incentives under Agriculture and RNR Sector

Dasho,

You may be fully aware that the Fiscal Incentives Act of Bhutan 2021 (FIAB 2021) was enacted by the 6th Session of the Third Parliament on 29th November 2021. As such, this letter is to bring to your kind attention that under the FIAB 2021, Agriculture and RNR Sector has been identified as one of the high priority sectors eligible for tax exemption and investment allowance under Chapters 2 and 3, Part I of the Direct Tax Incentives. The sector is also eligible for sales tax and customs duty exemptions on plant & machinery, seed & seedlings, green-house set, drip irrigation set, equipment and tools under Chapter 6, Part II of the Indirect Tax Incentives. However, the Ministry is of the opinion that many of the beneficiaries in the Dzongkhags are not aware of such incentives provided to them under the FIAB 2021.

Therefore, the Ministry of Finance would like to request Dasho to kindly instruct your officials especially in the Dzongkhags to disseminate the information on the above incentives to the farmers, farmer's group and cooperatives. The list of items eligible for exemptions are mentioned in the 'Schedule of Items' to the Rules on the Fiscal Incentive Act of Bhutan 2021 uploaded on DRC website www.drc.gov.bt.

In addition, the Ministry would also like to inform that third parties such as suppliers or agents importing the above items on behalf of the above beneficiaries will have to pay the applicable sales tax and customs duty at the point of entry and later apply to DRC for refund as per the existing rules and procedures in force.

Thanking you,

Yours Sincerely,

(Kesang Deki)
SECRETARY

Copy to:

- Officiating Director General, DRC for information and necessary action.