

General Terms and Conditions for Incentives on Inward Remittance.

As per the directive of The Royal Monetary Authority of Bhutan, Druk PNB Bank is pleased to announce the following incentives on remittance received from non-resident Bhutanese to promote and direct inward remittance inflow through the formal channel:

1% Cash Incentive on Inward Remittance to Non-Resident Bhutanese.

The above incentives shall be in force for a period of one year beginning 1st June, 2021 as per the Terms and Conditions specified in this document. The RMA may from time-to-time review and amend these terms and conditions as and when deemed necessary. The revised terms and conditions will come into immediate effect and shall supersede all earlier terms and conditions.

Definition.

- i. Authorized Banks: Commercial banks licensed by the RMA to carry out remittance activities.
- ii. Convertible Currency: means foreign currency denominated in Australian Dollar, Canadian Dollar, Danish Kroner, Euros, Hong Kong Dollar, Japanese Yen, Norwegian Krone, Singapore Dollar, Swedish Krona, Swiss Franc, United Kingdom Pound Sterling and US Dollar.
- iii. Foreign Currency Account: Bank account denominated in foreign currency maintained with an authorized bank in Bhutan.
- iv. Incentive: It shall refer to the 1% cash incentive in Ngultrum on the remitted amount upon conversion to Ngultrum at prevailing/applicable exchange rate applied by the authorized Banks or MTOs, respectively.
- v. Money Transfer Operator (MTO): Any legal entity other than an authorized bank licensed by the RMA to carry out remittance activities.

- vi. Non-Resident Bhutanese (NRB): Bhutanese citizens currently residing overseas for employment, studies, for carrying out business or vocation outside Bhutan.
- vii. Remittances: Personal transfers of convertible currency by non-resident Bhutanese to Bhutanese residents (i.e families/relatives and/or to their own individual accounts) through formal channels.
- viii. Remitter: Non-resident Bhutanese individual remitting fund from overseas.
- ix. Saving Account: Personal bank account maintained with an authorized bank in Ngultrum.

PART A: 1% Cash Incentive on Inward Remittance to Non-Resident Bhutanese

Non-resident Bhutanese shall be provided 1% incentive on convertible currency remittances transferred to Bhutan through formal channels. The formal channels shall be authorized banks and money transfer operators (MTO). The cash incentive shall be provided through the authorized banks and MTO.

1. General Provisions

- a) Non-Resident Bhutanese (NRB) remitting convertible currency through formal channels to resident Bhutanese shall be provided 1% cash incentive to beneficiary in Ngultrum on the Ngultrum equivalent cash payout or deposited into savings account.
- b) Remittances received into Foreign Currency Account shall be eligible for the incentive only upon conversion into Ngultrum.
- c) The authorized banks/MTOs in Bhutan shall ask the beneficiary (NRB or resident Bhutanese) to submit the following documents at the time of payment of the incentive amount:
 - i. Passport/CID copy or other identification document of the NRB and/or the beneficiary claiming the incentive; and
 - ii. Proof of Residency in foreign country documents of NRB overseas (Visa copy, phone bill, electricity bill, letter from Bhutanese foreign mission/embassy, etc.).

- d) If the remitter and the beneficiary is the same person and residing overseas then the beneficiary (NRB) can submit the above documents via email to his/her authorized bank/MTOs in Bhutan to claim the incentive.
- e) If the remitter is remitting to a beneficiary other than the remitter, the beneficiary shall be a resident Bhutanese and shall submit the above documents either in person or via email to claim the incentive from his/her authorized bank/ MTOs in Bhutan.
- f) Beneficiaries (NRB or resident Bhutanese) under this scheme shall submit the above documents to their authorized banks/MTOs in Bhutan within 10 working days from the date of receipt of remittance to claim the incentive.[Note: In case of remittance into Foreign Currency Account, within 10 working days from the date of conversion into Ngultrum]
- g) The remitter shall ensure that his/her identification details (CID Number/Name) are reflected on the authorized banks remittance instruction or MTOs remittance instruction/message at the time of remittance.
- h) The incentive shall not be applicable against the following fund transfer purposes:
 - i. Donation;
 - ii. Foreign Direct Investment;
 - iii. Trade and business activities; or
 - iv. NGO/CSO and international organization fund transfers.
- i) The incentive shall not be applicable if the beneficiary of the remittance is other than NRB or a resident Bhutanese.
- j) Section 20 d) of the Inward Remittance Rules and Regulations 2016 shall not be applicable for beneficiaries who have availed the incentive under this scheme whereby they shall not be allowed to reconvert or repatriate the converted amount.

2. Disbursement of Incentive on Remittances by Authorized Banks/MTOs;

- a) Verification prior to disbursement:

- i. The authorized banks/MTOs shall establish that the remittance received is from NRB currently residing overseas if the remitter and beneficiary are the same based on the documents submitted by the beneficiary as per Section 1 c) & d).
- ii. The authorized banks/MTOs shall establish that the remittance received is from NRB currently residing overseas and the beneficiary, if it is other than the remitter, is a resident Bhutanese based on the documents submitted by the beneficiary as per Section 1 c) & e).
- iii. The documentary requirement stipulated in Section 1 c) shall be collected by the authorized banks
- iv. The authorized banks/MTOs shall obtain the documents required from the beneficiaries (NRB or resident Bhutanese) within **10 working days** from the receipt of remittance/credit instruction. In case of Foreign Currency Account within **10 working days** from the date of conversion into Ngultrum.
- v. The authorized banks/MTOs shall ensure that the remittance is for the purpose eligible as per this document and not in favor or for purposes specified under Section 1 h) and i).

b) Disbursement of Incentive:

- i. An authorized bank/MTO receiving the remittance shall credit the incentive amount to the specified beneficiary's savings account or the cash payout in Ngultrum at prevailing/applicable exchange rate applied by the authorized Banks or MTOs, respectively.
- ii. If the remittance is credited into beneficiary's savings accounts, the authorized banks/MTOs receiving the remittance shall credit the remittance amount along with the incentive amount into the specified beneficiary's savings account maintained with them or with another authorized bank.
- iii. If the remittance is received via cash over the counter (OTC)/Cash pick up, the incentive shall be facilitated in cash or by crediting the beneficiary's

savings account maintained with an authorized bank subject to the availability of such facility.

- iv. If the remittance is credited into a foreign currency account the incentive amount shall be credited only upon conversion of the convertible currency into Ngultrum. The incentive shall be credited along with the converted remittance amount into the specified beneficiary's saving account.
- v. Notwithstanding the above clauses an authorized bank/MTO may provide the incentive within 10 working days from the disbursement of the remittance, if there is a delay in establishing the eligibility of the claim on incentive.
- vi. The authorized banks/MTOs shall reserve the right to reject the claim on incentive and seek further clarification from the NRB or beneficiary on the inward remittance if the transactions are not in compliance with the terms and conditions as stipulated in this document.

3. Refund and Cessation of Incentive on Remittance

- a) A beneficiary (NRB or resident Bhutanese) shall be liable to refund/forgo the incentive on remittance if the inward remittance has been found to be received in favor and for purposes specified in Section 1 clause g) and h) or for contravention of any terms and conditions stipulated in this document. A beneficiary shall refund all previous incentive amounts earned under this scheme in the occurrence of this clause.
- b) A beneficiary shall be liable to forgo the incentive on remittance if they fail to provide the documents required under Section 1 c) to establish the NRB status and, if applicable, resident Bhutanese status, to the respective authorized banks/MTOs.