



Guidelines for Code of Ethics & Conducts for the Officials

**DEPARTMENT OF REVENUE & CUSTOMS
MINISTRY OF FINANCE**

2021



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FOREWORD

Code of Ethics and Conduct is a charter of the moral rights and obligations, which defines the ethic and social responsibilities of each member of the Department. The public servants in general are guided by the set standard of core values laid under the Rule No. 3.2.1 of Chapter 3 of the Bhutan Civil Service Rules and Regulations (BCSR) 2018 which states that “*a civil servant shall maintain and uphold the highest standard of, amongst others, integrity, honesty, fortitude, selflessness, loyalty, the right attitude, right aptitude, patriotism, professionalism and be apolitical in service of the Tsa-Wa-Sum*”.

Therefore, Department of Revenue and Customs (DRC) is pleased to publish guidelines on Code of Ethics and Conducts for the DRC officials to uphold the above mentioned set standards while rendering their services to the Government and its people. The handbook encompasses the guiding principles for ethical behavior about doing the right thing or remaining fair while exercising official authority and when dealing with members of the public, the business community and other government officials. It is an effective mean at disposal for preventing irresponsible or illicit behaviors from officials who are acting in the name and on the behalf of the Department. The guidelines expects to aid officials ensure suitable behavior in their professional performance in accordance to the BCSR 2018 and the corresponding laws of the Department and to realize positive benefits to oneself and for the Department as a whole.

Further, for the Departments vision to ensure that the Tax and Customs Administration collect the taxes efficiently and effectively at minimum cost through impartial and consistent enforcement of regulations, and to provide a convenient and honest service

to the taxpayers, it is imperative for the DRC officials to be honest, impartial and professional in the manner while rendering their services on a day-to-day basis and exercising their official authorities empowered.

We earn credibility by adhering to our commitments, incorporating honesty and integrity and attainment of Departmental goals solely through honorable conduct.



Wangchuk Thayey
Director General
Department of Revenue & Customs

CODE OF ETHICS AND CONDUCTS

1. Introduction

The public servants in general are guided by the set standard of core values laid under the Rule No. 3.2.1 of Chapter 3 of the Bhutan Civil Service Rules and Regulations (BCSR) 2018 which states that a civil servant shall maintain and uphold the highest standard of, amongst others, integrity, honesty, fortitude, selflessness, loyalty, the right attitude, right aptitude, patriotism, professionalism and be apolitical in service of the Tsa-Wa-Sum. Accordingly, every individual employee of the Department of Revenue & Customs has the responsibility in upholding the above mentioned set standard of core values while rendering their services to the Government and its people.

The Department's vision also outlines that it shall ensure that the Tax and Customs Administration has the capacity to collect taxes efficiently and effectively at minimum cost through impartial and consistent enforcement of regulations, and to provide a convenient and honest service to the taxpayers. In view of that, every individual taxpayer should have a complete confidence, trust and respect in the integrity of its tax and customs administrations and to expect all employees to be honest, impartial and professional in the manner while rendering their services and exercising their official authorities empowered within the scope of the Tax and Customs Act and Rules thereof. It is important to maintain the individual employee's highest standard of integrity in their dealings with members of the public, the business community and other government officials, and maintain the same standards in their personal lives as well.

2. Objective for Code of Ethics and Conducts

The objective of the code of ethics and conducts is to establish the guiding principles that must govern the ethical behaviour of all the employees of the Department, with regard to the relations and interactions that the employees have with the taxpayers. This code of ethics constitutes guidelines for action of the employees to ensure suitable behaviour in their professional performance in accordance to the BCSR 2018 and the corresponding laws of the Department.

3. Scope of Code of Ethics and Conducts

The scope of the code of ethics and conducts is addressed towards all the employees of the Department in general irrespective of their position level and their workplace. It is mandatory for all employees of the Department and the regional offices to comply with the guidelines highlighted in this code of conduct. The key elements of the code of ethics and conducts are drawn from the following laws:

- i. Bhutan Civil Service Rules and Regulations 2018; and amendments thereof;
- ii. Sales Tax Act of the Kingdom of Bhutan 2000, and amendments thereof;
- iii. Income Tax Act of the Kingdom of Bhutan 2001, and amendments thereof;
- iv. Customs Act of Bhutan 2017, and amendments thereof;
- v. Goods and Service Tax Act of Bhutan 2020, and amendments thereof; and
- vi. Any other relevant laws of Bhutan.

4. Immunity from Prosecution or Civil Suit

No criminal proceeding or civil suit against the employees of the Department shall lie personally in respect to any proceeding in a court, which has been done in good faith and in the course of official duties in accordance with Income Tax Act of Bhutan 2001 (*Section 51, Chapter 8 of General Provision*), Customs Act of Bhutan 2017 (*Section 13 of Chapter 2*), Sales Tax Act of Bhutan 2000 (*Section 32.2, Chapter 8 of General Provision*) and Goods and Service Tax of Bhutan 2020 (*Section 306 of Chapter 29*).

5. Code of Ethics and Conducts

All the employees of the Department while providing professional services to the taxpayers or public, it shall be based on the integrity and responsibility guided by the following set standards of code of ethics and conducts:

5.1. Personal Responsibility

5.1.1. General Rules

All the employees of the Department must accept personal responsibility for compliance with the Code of Ethics and Conduct wherein every individual employee must:

- i. perform duties with honesty, care, diligence, professionalism, impartiality and integrity;
- ii. not hold financial interests that conflict with the diligent performance of duty;
- iii. not engage in financial transactions using non-public Government information or allow the improper use of such information to further any private interest;

- iv. not, unless an exception is provided for in the Code of Ethics and Conduct or any acts, laws, regulations, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the Department, or whose interests may be substantially affected by the performance or non-performance of the employee's duties;
- v. observe all relevant acts, laws, regulations and lawful directions that relate to the performance of official duties and avoid any action creating even the appearance that they are violating any acts, laws and regulations;
- vi. treat colleagues and members of the public professionally and with courtesy;
- vii. act impartially and not give preferential treatment to any private organization or individual;
- viii. avoid waste and misuse of public resources;
- ix. put forth honest effort in the performance of their duties in compliance with all laws, policies, statutes, rules, regulations and in accordance with their Code of Ethics and Conduct;
- x. not disclose or use non-public information learned in the course of their official duties to benefit themselves or others;
- xi. not use public office for private gain;
- xii. protect and conserve Government property and not use it for other than authorized activities;

- xiii. not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official Government duties and responsibilities; and
- xiv. disclose waste, fraud, abuse and corruption to appropriate authorities.

5.2. Compliance with the Law

All the employees of the Department must respect and abide by all applicable Bhutanese laws, including all lawful and reasonable directions given by lawful individual or an authority when exercising their official functions or powers.

5.2.1. Criminal Offences

Those employees who commit offences involving, in particular, prohibited drugs, fraud, seeking or accepting bribes, illegal importation or exportation of goods, will be subject to disciplinary action in accordance to the BSCR 2018 and the relevant laws of the country.

All the employees are required to inform senior management as soon as they learn that they are the subject of criminal or possible criminal proceedings. On receipt of such information, senior management should decide whether the official can be retained on normal duty, moved to alternative duties or report to the higher authority depending on the severity of the offence alleged.

5.2.2. Complaints against Department's Employees

It is crucial that the public has complete confidence in the integrity of Department and its employees. In order to ensure this confidence is maintained, complaints against Department, and/or individual employees, must be investigated promptly and objectively by the management.

5.2.3. Internally Initiated Allegations

If the employees believe that they are being instructed by a superior or a colleague to act in a way which is illegal, improper, unethical, or is in any way in breach of the Code of Ethics and Conduct in the course of their official duties, they are responsible to report the matter to a designated member of senior management or the management of the Department.

The concerned management must immediately take effective steps to thoroughly investigate all such claims.

5.2.4. Bribery

The employees must always refuse any proposal of bribery or corruption. Those who offer, ask for, or accept bribery shall be liable for penalties or imprisonment established by law of the country. Accordingly, whoever attempts to offer compensations or any other benefits in exchange for favors or special treatment must be denounced immediately to their hierarchical superiors.

5.3. Relations with the Public

Every individual employee of the Department shall ensure that a quality services are been provided at all times. Employees must observe the high standards of honesty, impartiality, character and conduct to ensure the proper performance of Government professional and the continued trust and confidence of the taxpayers and general public.

5.3.1. Personal Etiquette

The employees shall render their services to the public with due respect, courtesy, sincerity and to the best of his knowledge and abilities. Every individual employee of the Department is responsible to treat the public with dignity, empathy and humility while dealing with them. The employees should always refrain from resorting to unreasonable argument or violence with the public while carrying out their duty.

5.3.2. Disclosure of Name: - Wearing of Departmental Name Card

The public have the right to know with whom they are dealing and thereby the employees of the Department are expected to identify themselves in correspondence and on the telephone, as appropriate. Those employees who come into contact with the public during the course of their work should wear a departmental name card.

5.3.3. Safety: - Assault and Obstruction of an Official

The employees should always, as a priority, consider their own safety and the safety of their colleagues when

performing their duties. If a situation arises where it would be wiser to withdraw and seek additional support from trained personnel, then the employees should do so. In all cases, such action should immediately be reported to senior management as soon as it is safe to do so.

5.3.4. Dealings with the Business Community

The business community should have access to the ethical standards applied by the Department and should ensure that their own practices do not pressure the employees to depart from those standards. Any attempts by members of the business community to offer inducements or other benefits in exchange for favours or special treatment must be reported immediately to the appropriate senior official(s) or authority.

5.4. Limitations on the Acceptance of Gifts

5.4.1. General Rules

The offering of gifts and/or other benefits to the employees by individuals or organizations may be, or may appear to be, an attempt by the outside source to influence a decision which an employee is expected or required to make. For that reason, the employees of the Department shall not accept or solicit any gifts, hospitality or other benefits that may have a real or apparent influence on their objectivity in carrying out their official duties or that may place them under obligation to the donor.

5.4.2. Gift Rule

The rules governing the issues regarding the offer and acceptance of gifts by the employees shall be governed by the Gift Rules 2017 of Bhutan.

An employee shall not solicit or accept a gift, directly or indirectly from a prohibited source or from another public servant. An indirect solicitation or acceptance of gift includes any item solicited or accepted by the employee's spouse and/or dependent or any other person recommended or specified by or on behalf of an employee. A prohibited source means any person:

- i. Who seeks official action or business from the public servant's agency;
- ii. Who does business or seeks to do business with the public servant's agency;
- iii. Who conducts activities regulated by the public servant's agency;
- iv. Who has interests that may be affected by performance or non-performance of the public servant's official duties;
- v. Who are member of those prohibited sources; or
- vi. Any other source which the Commission may declare from to time to time.

An employee may however accept a gift under the following circumstances:

- i. If provided by an individual solely on the basis of a personal relationship when the circumstances make it clear that it is that personal relationship rather than the official position of the person

- concerned which is the motivating factor;
- ii. Gift from an immediate relative when the circumstances make it clear that it is the relationship rather than the position of the public servant concerned which is the motivating factor; or
- iii. Opportunities and benefits which are also available to other individual.

And, an employee may give to or accept from another public servant, under the following circumstances:

- i. A gift of nominal value (refer Rule 47 (h)) to another public servant on a special infrequent occasions of personal significance such as marriage, illness, birth of a child, or death; or
- ii. A gift of nominal value on occasions such as retirement, resignation or transfer; or
- iii. Personal hospitality subject to it being modest, reasonable and customary to the occasion.

A public servant may accept a gift from or give a gift to any source other than a prohibited source, on behalf of his or her agency. However, the public servant is required to declare and deposit the gift received with his or her agency.

A public servant shall, be levied a fine, if he or she:

- i. Solicited or encouraged the solicitation of gift directly or indirectly;
- ii. Accepted directly or indirectly any impermissible gift;

- iii. Without reasonable justification, refused or failed to disclose the gift; or
- iv. Breached any provision of The Gift Rule 2017.

5.5. Conflict of Interest

5.5.1. General Rules

A 'conflict of interest' involves a conflict between the public duty and private interests of a public official, in which the public official has private interests which could improperly influence the performance of their official duties and responsibilities. A conflict of interest can arise from avoiding personal losses as well as gaining personal advantage whether financial or otherwise. Conflicts of interest can be actual, perceived or potential.

- i. An actual conflict of interest involves a direct conflict between a public official's current duties and responsibilities and existing private interests.
- ii. A perceived or apparent conflict of interest can exist where it could be perceived, or appears, that a public official's private interests could improperly influence the performance of their duties whether or not this is in fact the case.
- iii. A potential conflict of interest arises where a public official has private interests that could conflict with their official duties in the future.

5.5.2. Avoiding Conflict of Interest

The employees of the Department shall not take any assignment or task in which the officials relatives are involved or a case in where the official has a conflict

of interest in pursuant to the Sales Tax Act of Bhutan 2000 (Section 29, Chapter 8 of General Provision), the Income Tax Act of Bhutan 2001 (Section 49, Chapter 8 of General Provision) and Goods and Service Tax Act of Bhutan 2020 (Clause 12 of Schedule VIII Taxation Review Tribunal).

The employees shall declare and avoid Conflict of Interest in the process of official decision-making and while discharging all other official responsibilities.

5.6. Apolitical

In pursuant to the Section 3.3.5 of Chapter 3 of BCSR 18, a civil servant shall be apolitical, non-partisan and not stand for election under electoral laws of the Kingdom. Any communication relayed by a civil servant in support or opposition of a Political Party or a Candidate shall be treated as political advertising and indirect violation of Civil Service Values and Conduct, if so alleged and proven.

5.6.1. Limitations on Political Activities

At all times the employees shall remain and uphold the political neutrality of the Civil Service and provide forthright and impartial advice to the Government. The employees shall discharge their official duties without having feared and favour through transparent systems with proper documentation to ensure that the decisions made are not been politicized.

The employees shall not make any inappropriate comments in public on matters relating to sensitive internal Government policies and programmes or

express any opinion on politics or political parties either explicitly or implicitly.

5.7. Conduct in Money Matters

5.7.1. General Rules

The individual employee of the Department must satisfy all just financial obligations, especially those that are imposed by law, including paying their taxes.

5.7.2. Private Financial Transactions

Private financial transactions between employees of the Department are discouraged, and those between supervisors and subordinates are strictly prohibited. Those entering into such arrangements should ensure that the work of the Department and its reputation are not adversely affected by their private arrangements. However, such transactions should be avoided altogether and shall not be conducted using official time, Government property, or resources.

5.7.3. Dealing with Official Money

The receipt and custody of any payment to the Department should be restricted to those who need to do so in the course of their official duties and no other employee should accept unless specifically authorized to do so. When such authority is given, or is a part of standard employee responsibilities, it should be confirmed as such in writing.

5.8. Confidentiality and Use of Official Information

5.8.1. General Rules

In general all the civil servants shall be refrained from unauthorized communication of information, which shall be detrimental to the smooth and efficient functioning of the Royal Government and the prestige, territorial integrity, national security and stability of the Kingdom as a sovereign and independent nation.

5.8.2. Confidentiality of Information

The employees of the Department must maintain the confidentiality of all information stored by the administration, revealing only to the concern taxpayer, to his representative or to other officers or institutions if established by law. The information must not, under any circumstance, be used for personal benefit or profit of such officials, their families or anybody. At any circumstances, the employees must maintain confidentially and safeguard the official information.

Nonetheless, the confidentiality of information discovered in the course of duty by the employees shall be maintained even after separation from the civil service.

5.8.3. Dissemination of Official Information

The Department or the employees of the Department shall provide information to a person or the agency only under the following conditions:

- i. If the Department receives the order from the court;

- ii. On approval from the competent authority if the information requested is not sensitive and restricted;
- iii. For any official purpose the Director General/ Director/ Commissioner/ Regional Director reasonably believes is necessary and appropriate; and
- iv. The information is shared only by the authorized person through official channels.

5.9. Use of Official Property and Services

5.9.1. General Rules

Unless specifically and reasonably authorized, the use of Department's resources and property, as well as services paid for with official funds for personal purposes or gain is prohibited. All the employees are required to make adequate security arrangements for Department's assets under their control.

5.9.2. Use of Official Identification

Badges, credentials and identification cards are to be used by employees of the Department for official purposes only. Identity badges and security items are issued to assist and identify Department's employees in the performance of their duties and in exercising powers entrusted to them. They are not to be used for any other purpose. Security badges, keys, passwords and the like are to be safeguarded by the employee to whom they have been issued, and must be surrendered to the Department upon termination of employment.

5.9.3. Electronic Network Access and Usage

The Department's employees having access to, or using, Government computer systems, equipment or software should make every effort to protect the Government from any possible threats to information security. Government computer systems or those of external agencies accessed via the Government network, software, equipment, Internet, intranet and e-mail should be exclusively for authorized official purposes.

Limited personal use of the Internet, intranet and e-mail shall be permitted provided it complies with all related legislation, policies and guidelines and does not affect the employee's productivity or that of his/her colleagues.

5.10. Work Environment

5.10.1. General Principles

All employees have the right to a healthy and safe workplace, free of discrimination and harassment, in which individual and organizational objectives can be met. A good working environment is one that:

- i. is fair and equitable;
- ii. is safe and supportive;
- iii. is free of alcohol and drugs;
- iv. is free of harassment and discrimination;
- v. is respectful of individual differences and cultural diversity;
- vi. provides honest performance feedback and development opportunities; and

- vii. is supportive of staff participation in the decision-making process.

5.10.2.Fairness and Non-discrimination

A commitment to fairness and non-discrimination is central to maintaining Department's standards of equity, ethical conduct and accountability. All employees must take an active role in ensuring the Department's work environment is free of discrimination and harassment of any kind, including sexual harassment.

5.10.3.Occupational Health and Safety

All employees should enjoy an expectation of a healthy and safe working environment as it relates to their assigned duties, as this has a direct impact on the overall perceived professionalism of the Department's administration. Concurrently, employees must take their own responsibilities seriously, contribute to workplace safety and promptly report any health or safety concerns or related breaches of rules or regulations to their supervisor.

5.10.4.Misuse of Drugs, Intoxicating Substances or Gambling

The employees shall not indulge in gambling or imbibing intoxicating substances like consuming drugs, or any other substance that may weaken his personal integrity and affect his work performance or affect his/her normal behaviour or endanger the safety of other people.

5.10.5. Misuse of Alcohol

Employees shall not report for duty or remain on duty while under the influence of alcohol. Under no circumstances shall employees operate a Government owned vehicle, whether on or off-duty, while under the influence of alcohol. Uniformed employees shall not purchase or consume alcoholic beverages, on or off-duty, while in uniform.

5.11. Standard Dress Code

The dress and appearance of all the employees should reflect a professional image. Public perceptions and work practices can be influenced by the appearance of employees. Thereby, at all times, national dress should be worn during the official hours and while performing any official duties.

5.11.1. Dress Code of Uniformed Employees

It is particularly important for uniformed employees of the Department to present a professional image. Customs officials issued with a uniform must strictly adhere with the Customs Uniform Rule 2021.

5.12. Any other Relevant Law of the Country

However, all the employees of the Department shall respect and abide by all applicable Bhutanese laws, including all lawful and reasonable directions given by lawful individual or an authority when exercising their official functions or powers.

6. Annexure

Drafting Members:

- | | | |
|----------------|------------------------|----------------------------------|
| 1. Karma Lhatu | Collector | Revenue
Intelligence Division |
| 2. Ugyen Pem | Assistant
Collector | Revenue
Intelligence Division |

Reviewing Members:

- | | |
|---------------------|-----------------------------------|
| 1. Director General | Department of Revenue & Customs |
| 2. Collector | Income Tax Division |
| 3. Collector | Customs & Excise Division |
| 4. Collector | Revenue Audit & Accounts Division |
| 5. Collector | Sales Tax Division |

