

## **ANNEX XXX: AGREEMENT BETWEEN THE DEPARTMENT AND THE WAREHOUSE OPERATOR**



### **ROYAL GOVERNMENT OF BHUTAN MINISTRY OF FINANCE DEPARTMENT OF REVENUE & CUSTOMS**

#### **AGREEMENT BETWEEN THE DEPARTMENT AND WAREHOUSE OPERATOR**

I/We, Mr/Ms. ....holding trade license No: .....having registered with the Department of Revenue and Customs as warehouse operator shall hereby agree to abide by the following terms and conditions laid down by the Department of Revenue and Customs.

#### **Terms and Conditions:**

1. The warehouse premise shall be clearly marked as a Customs control area.
2. The goods stored in the warehouse shall remain under the custody of the owner of the warehouse.
3. Maintain a system of internal controls capable of detecting illegal or irregular transactions.
4. Proper maintenance of accounts and records.
5. Provide an all risk insurance policy, which includes natural calamities and fire, for a sum equivalent to the amount of duty involved on the dutiable goods proposed to be stored in the public or private warehouse at any point of time.
6. The owner of the warehouse shall be liable to pay customs duty, taxes and fines on goods, which are not accounted correctly or lost, or damaged, or destroyed.
7. The warehouse operator shall file with the Department a monthly return of the receipt, storage, operations and removal of the goods in the warehouse, within ten days after the close of the month to which such return relates.
8. Where the period specified in the Customs Rules and Regulations 2017 for warehousing of goods is expiring in a particular month, the operator shall furnish such information to the Department on or before the 10th day of the month immediately preceding the month of such expiry.
9. Any change in the approval due to transfer of ownership, change of location or winding up of the business shall be reported to the Department in writing not later than 30 days from the date of occurrence and a tax clearance certificate must be obtained.
10. In the event of the winding up of the business without the notice of the Department, the warehouse operator shall be liable for any outstanding duty, taxes and applicable charges.

#### **Validity of Agreement**

11. The agreement shall be valid for a period of three years. The operator may request renewal of the Registration Certificate before one month from the expiry date.
12. On expiry of the validity period, the Department of Revenue and Customs, may, renew the agreement for a period of three years provided:
  - a) The performance of the warehouse operator is found to be satisfactory;
  - b) Valid trade license;

- c) Compliance record;
- d) Tax clearance certificate;
- e) Valid Bank Guarantee, and
- f) No adverse record or criminal offence committed

### **Cancellation of Certificate of Registration**

**13.** The Department shall cancel the Certificate of Registration in the following circumstances:

- a) Where the Certificate of Registration is already suspended and the holder fails to take the remedial measure to have the suspension withdrawn;
- b) Where the holder has committed serious infringement of Customs law and has no further right to appeal.

### **Discharge or Forfeiture of security**

- 14. The security shall be discharged at the winding up of the warehouse operation provided there is no unsettled issue with the Department or any other relevant agencies.
- 15. The security shall be forfeited, where the warehouse operator breaches the provisions of this rule.
- 16. Where the forfeited security is less than the applicable duty, taxes, fines, penalties, fees and charges, the warehouse operator shall pay the additional amount.

**Seal, Name and signature  
DRC**

**Name & Signature  
Warehouse Operator**

**Name and signature  
Witness**

**Name and signature  
Witness**

**Date:  
Place**