

**Trade and Transport Facilitation
Monitoring Mechanism in Bhutan:
Baseline study series #1**

**Business Process Analysis of
Import of Light Motor Vehicles from
the third Countries to Bhutan via
Kolkata Port**



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Business Process Analysis of Import of Light Motor Vehicles from the third Countries to Bhutan via Kolkata Port

The 1st report of a series of 6 studies on Trade and Transport Facilitation Monitoring Mechanism (TTFMM) in Bhutan

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PREFACE

In the process of undertaking the baseline study of Trade and Transport Facilitation Monitoring Mechanism (TTFMM) in Bhutan, six studies are carried out to provide multiple facets of trade and transport facilitation covering export and import of specific products, corridors and border crossings. A synthesis report is also produced based on five study reports.

The current report is focused on business process analysis of import of light motor vehicles from the third countries to Bhutan via Kolkata Port. It is a stand-alone document itself and the 1st report of a series of 6 studies on TTFMM in Bhutan. It feeds the TTFMM synthesis report. As such, it needs to be read along with other reports to fully understand the background, key findings and conclusions of the TTFMM baseline study.

ACKNOWLEDGEMENTS

In conducting the BPA and preparing this report, great support was received from the host country which was essential for completion of the study. Guidance from Mr. Yonten Namgyel, Director, Department of Revenue and Customs and Member Secretary of National Trade and Transport Facilitation Committee (NTTFC) was vital for completing the study.

The report was prepared by Achyut Bhandari and Tengfei Wang. Data collection was carried out by Achyut Bhandari. Informants and participants of the various workshops under the project, as detailed in **Appendix 1**, substantially contributed their expertise to enhance the quality of the project. Phuntsho Dorji and Sonam Dema played a crucial role for organizing the TTFMM national validation workshop on 3-4 August 2016 in Thimphu, Bhutan¹.

The baseline study and the underlying project were managed by Tengfei Wang from ESCAP and Aileen Pangilinan from ADB under the guidance of Yann Duval and Ronald Antonio Q. Butiong. Tanya E. Marin, Linel Ann Reyes-Tayag, and Alona Mae Agustin from ADB provided support for the logistical arrangement of the workshops. Josiah Littlehales, Vyonna Bondi, Megane Vanselow and Ekaterina Silanteva substantially contributed to data input and analysis during their internship at UNESCAP.

The TTFMM baseline study is funded under both ADB's Technical Assistance Special Fund and the Japan Fund for Poverty Reduction.

¹ <http://sasec.asia/index.php?page=event&eid=213&url=bgd-ttfmm-validation>

EXECUTIVE SUMMARY

The Report is focused on an analysis of the trade process and procedures of import of light motor vehicles (LMVs) from countries other than India via Kolkata Ports (Haldia or Kolkata). It analyzes the “as-is” trade, provides detailed process, diagnosis of bottlenecks and offers a set of possible policy recommendations. Mapping current trade procedures is beneficial in the following ways. First, the information presented in this document can be used as instruction for the traders, especially the new traders, to carry out the trade process. Second, the information can be used directly when a trade portal is established; and finally, the information provides a fundamental basis for the diagnosis of bottlenecks along the trade process.

This study reveals that it takes 28.5 days to import light motor vehicles (LMVs) from the Republic of Korea. Among it, the maximum time of about 10 days is spent for making final payment. The cost for completing the procedures amounts to U.S \$1,289, which does not include the applicable duty and taxes that the importer has to pay in Bhutan. Out of the total transaction cost, 32.5% are attributed to transit clearance at Kolkata and 14.4% by transportation to Phuentsholing. A total of 39 documents (application forms, application letters, permits, etc.) are needed to complete the 14 processes for importing LMVs to Bhutan. Out of this, 12 documents need extra copies ranging from one to 9 copies. In all, 85 copies of these documents are required.

Based on data analysis, this report recommends the following measures be taken to further enhance trade facilitation. In the short term, the key measures include 1). electronic filing and exchange of documents; 2). harmonization of data and information and standardization of documents; 3). removal of redundant or repetitive procedures and documents; 4). enhance availability and accuracy of information on rules, regulations and guidelines; 5) continue the efforts towards customs automation; 6) enhance payment remittance and 7) more active role of the Private Sector. The long-term interventions include 1) further development of transport and logistics infrastructure in Phuentsholing and 2) strengthen transport and transit in India. Transit in India is fundamentally important for enhancing trade and transport efficiency for Bhutan’s imports. The study shows that 67% of the import cost is directly attributed to transport (which does not include maritime transport from other countries to Kolkata) and transit clearance. Efforts from India and coordination at SASEC level are important. Certainly, these recommendations are tentative. Actual follow-up actions are subject to feasibility studies and availability of resources. Nevertheless, the findings would provide most relevant and useful reference for policy reform.

It is important to note that the report constitute an essential component of the baseline study of Trade and Transport Facilitation Monitoring Mechanism (TTFMM). As such, it should not be treated as a one-off study. The indicators included in this report (Section 4.2) and other more detailed information and data in Section 4.1 provide “baseline” data for the purpose of benchmarking when update studies are

carried out in the future. In so doing, the progress, or setback, in trade and transport facilitation and the effectiveness of trade and transport facilitation measures can be monitored effectively.

Chapter 1. Introduction

The TTFMM baseline study in Bhutan was conducted as part of a broad initiative to establish sustainable trade and transport facilitation monitoring mechanisms (TTFMM) in the country in the long term. The TTFMM project covers not only Bhutan but also Bangladesh and Nepal under the South Asia Sub-regional Economic Cooperation (SASEC) Program. In particular, the TTFMM baseline study aims to:

- 1) Provide a set of indicators and underlying data on trade and transport facilitation performance in Bhutan. Such baseline data will ensure that the progress or setback in trade facilitation performance in the country can be benchmarked.
- 2) Diagnose key bottlenecks and recommendations for removing bottlenecks and simplifying trade procedures. In this respect, the study provides policy recommendations to policy makers and stakeholders.
- 3) Propose way forward to maintain the sustainability of TTFMM. Sustainability is at the core of the design of TTFMM. In this respect, this report provides specific recommendations on how to maintain sustainability of TTFMM including institutional arrangement, data collection and analysis, and best way to utilize the study output.
- 4) Propose way forward to maintain the sustainability of TTFMM. Sustainability is at the core of the design of TTFMM. In this respect, this report provides specific recommendations on how to maintain sustainability of TTFMM including institutional arrangement, data collection and analysis, and the best way to utilize the study output.

The scope of the baseline studies of TTFMM was decided through a series of regional and national training workshops held in Bangkok, Thailand in November 2013, in Phuentsholing, Bhutan in April, 2014, Wuhan, China in October 2015 and in Bangkok, Thailand in January 2016. A wide range of stakeholders were consulted in this process, as shown in the lists of participants of different meetings in **Appendix 1**. After extensive exercise and discussion with the relevant stakeholders, it was agreed that the TTFMM baseline study in Bhutan would cover the following processes, products and trade routes and corridors:

- (i) Import of kitchen and table wares of plastics (melamine products) from Bangladesh to Bhutan through Burimari- Changrabandha- Jaigaon- Phuentsholing- Thimphu; and
- (ii) Import of light motor vehicles (LMVs) from countries outside South Asia via the Indian port of Kolkata;
- (iii) Export of cardamom from Bhutan to Bangladesh via Phuentsholing–Jaigaon–Changrabandha -Burimari; and

- (iv) Export of ferro silicon from Bhutan to countries outside South Asia (Europe or USA) through Kolkata port.

More specifically, it was decided that the Business Process Analysis (BPA) would cover all the above-mentioned products and corridors, Time Release Study (TRS) would cover border crossings at Phuentsholing and Jaigaon for both exports and imports and Time-Cost-Distance (TCD) /Corridor Performance Measurement and Monitoring (CPMM) would cover the corridors from Kolkata to Phuentsholing/Thimphu and Burimari to Phuentsholing/Thimphu trade corridors.

The Report is focused on an analysis of the trade process and procedures of import of light motor vehicles (LMVs) from countries other than India² via Kolkata Ports (Haldia or Kolkata). It is a stand-alone document itself, the first report of a series of six studies and feeds the synthesis TTFMM baseline report on Bhutan. As such, it needs to be read along with the other reports to fully understand the background, key findings and conclusions of the TTFMM baseline study.

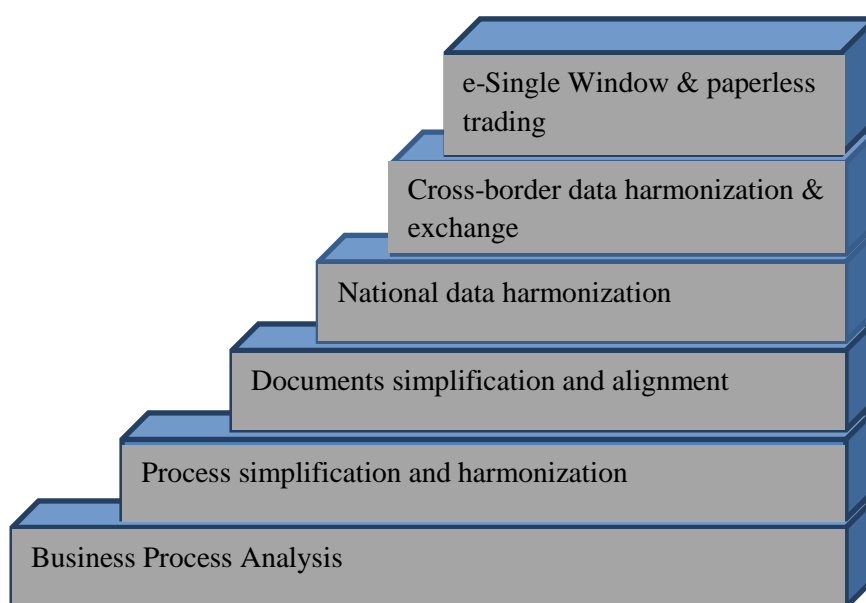
² It takes an example of the import of a vehicle (Kia Sorento) from Kia Motors, Republic of Korea. However, the same procedures would be in place for importing from Japan or Europe for that matter.

Chapter 2. Overview of Business Process Analysis for Trade Facilitation

Business Process Analysis (BPA) of Trade Procedures, developed by UNNEXT³ has proved to be an effective tool for providing a detailed understanding of international trade transactions. More than 50 import and export processes in Asia and other regions of the world have been studied since 2009 using BPA.⁴ Similar to the existing studies, *the UNNEXT Business Process Analysis Guide to Simplify Trade Procedures*⁵ was used to study import of kitchen and table wares of plastics from Bangladesh to Bhutan.

According to UN/CEFACT (see Figure 2.1)⁶, BPA is recommended as the first step before undertaking other trade facilitation measures related to the simplification, harmonization and automation of trade procedures and documents.

Figure 2. 1 A Step-by-step approach to implementing trade facilitation measures



Source: UNECE, 2006, Background Paper for UN/CEFACT Symposium on Single Window Common Standards and Interoperability

³ More information is available at http://unnex.unescap.org/tools/business_process.asp.

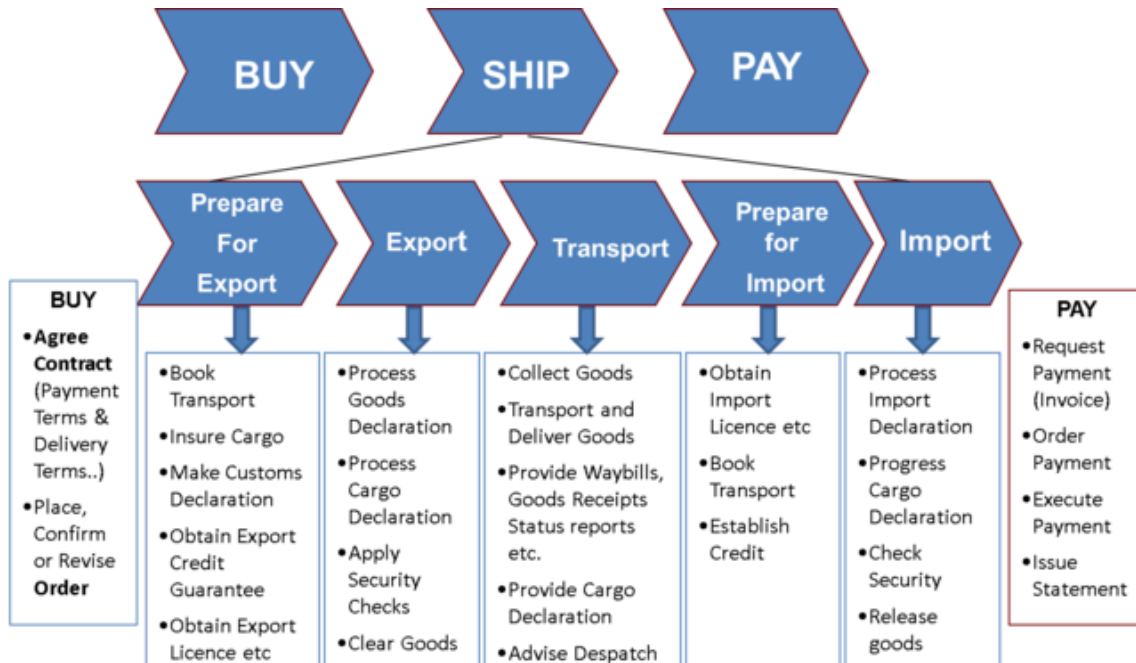
⁴ A summary of the existing studies is available at <http://unnex.unescap.org/pub/brief11.pdf>.

⁵ Detailed information is available at < <https://unnex.unescap.org/content/business-process-analysis-simplify-trade-procedures-case-studies>>

⁶ United Nations Economic Commission for Europe (UNECE), 2006, Background Paper for UN/CEFACT Symposium on Single Window Common Standards and Interoperability.

The trade procedures covered by BPA largely fall in the category of Buy-Ship-Pay model recommended by UN/CEFACT (as shown in figure 2.2). In some cases the scope could be confined to selected process(es) according to the priority of the country.

Figure 2. 2 Buy-Ship-Pay Model

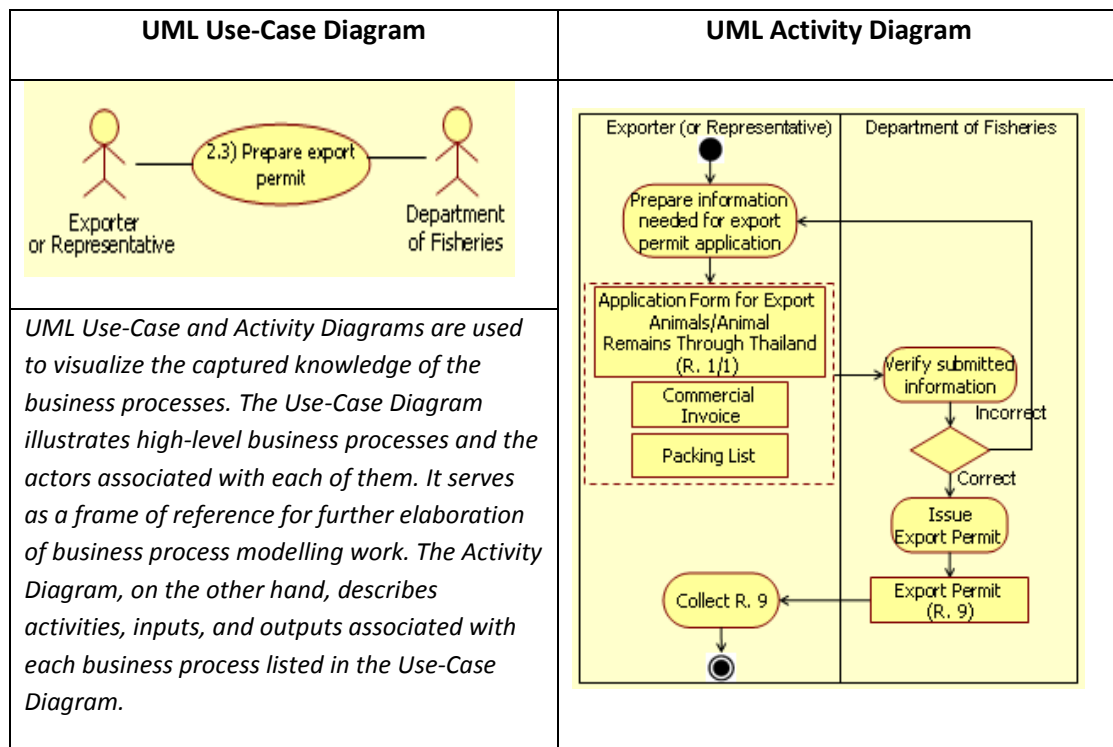


UN/CEFACT Recommendation No. 18 illustrates a simplified view of the international supply chain in the Buy-Ship-Pay model (Box 1). The model identifies the key commercial, logistical, regulatory and payment procedures involved in the international supply chain

Source: www.unece.org/fileadmin/DAM/cefact/recommendations/rec18/Rec18_pub_2002_ecetr271.pdf

One of the key features of the UNNExT Business Process Analysis Guide to Simplify Trade Procedures is the introduction of the Unified Modelling Language (UML) as a standard way to graphically represent the various procedures involved in the trade process (Figure 2. 3). Use of this common standard is essential to providing a systematic description and common language of a procedure that can be understood by all stakeholders involved in international trade transactions, both domestic and foreign.

Figure 2. 3 Examples of Use Case and Activity Diagrams



Source: <http://unnex.unescap.org/pub/tipub2558new.asp>

Chapter 3. Data collection and validation

Time frame for implementing TTFMM baseline study in Bhutan is shown in Table 3.1. Summary of participants who contributed to the study is shown in **Appendix 1**.

Table 3. 1 Time frame for implementing the TTFMM baseline study

	2015	2016											
	10	1	2	3	4	5	6	7	8	9	10	11	12
Sub-regional meeting to plan the baseline study in Wuhan, China													
Workshop to finalize the plan of the baseline study in Bangkok, Thailand													
Data collection on BPA													
Data collection on TRS													
Data collection on TCD/CPMM													
TTFMM database, analysis and draft report													
National results validation meeting													
Refine TTFMM data and analysis, and finalize study report													

The workshops to plan the baseline study in Wuhan, China and Bangkok, Thailand

A sub-regional meeting was organized in October 2015 in Wuhan, China to plan the baseline study and discuss next steps and attended by National Consultants and government officials from Bangladesh, Bhutan and Nepal, Experts from ADB and UNESCAP. Another study planning workshop was held in Bangkok on 13-15 January 2016 and was attended by the national consultants of the project, government officers and logistics operators from Bangladesh, Bhutan and Nepal. Methodologies for BPA, TRS and TCD/CPMM were discussed in detail during the workshop. Draft questionnaires used for TRS and CPMM were distributed and comprehensively discussed at the workshop.

Data collection on BPA

The ADB national consultant conducted data collection on BPA during February – July 2016 and interviewed the key stakeholders located in Thimphu, Phuentsholing, Burimari and Changrabandha. A field trip was arranged to Kolkata to collect data on transit during 16-18 March 2016. Summary and people interviewed during the visit are shown in **Appendix 1**.

National results validation meeting and follow-up activities

A national validation workshop was organized by the Department of Revenue and Customs, Ministry of Finance, Royal Government of Bhutan in collaboration with ADB and ESCAP on 3-4 August 2016 in Thimphu. The study team presented to stakeholders preliminary study results and findings. Comments from the workshop were taken into consideration by the project team to revise the report. Approximately six weeks after the meeting, the study team shared the revised reports with the meeting participants and incorporated further feedback for revision.

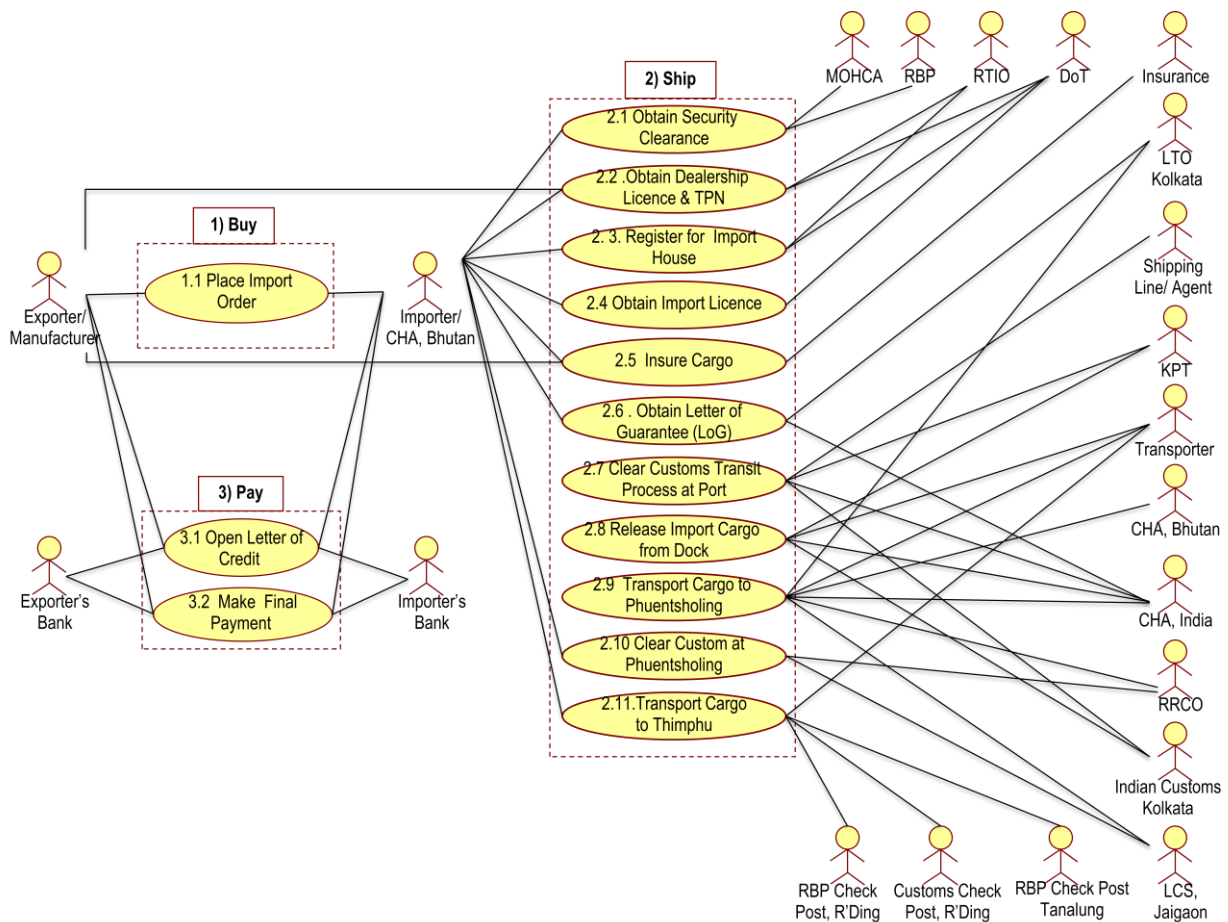
Chapter 4: Analysis and findings

4.1. “As-is” trade process and procedures

4.1.1. Use-Case Diagram

Figure 4.1 shows the Use-Case diagram for Bhutanese importation of Light Motor Vehicles (LMVs) from Republic of Korea via India. A total of 20 actors participate in completing 14 procedures. When one-time procedures 2.1, 2.2 and 2.3 are excluded for analysis, total number of actors is reduced to 17.

Figure 4. 1 Use-Case Diagram for Import of LMVs



4.1.2. Core Business Processes

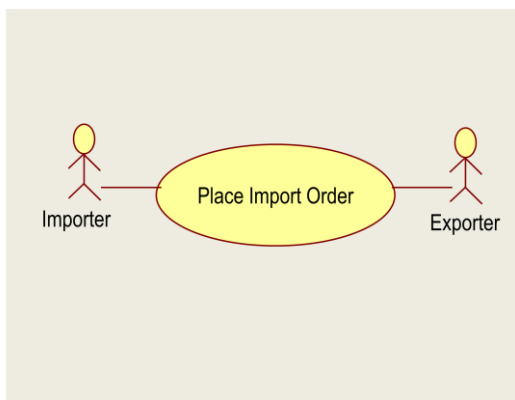
Process Area 1: Buy

In the first business process under the business process area ‘Buy,’ there is only one business process that needs to be completed, and that is ‘Place Import Order.’ The Importer contacts the Manufacturer/Exporter and places order for the number of vehicles required as shown in Figure 4.2.

Core Business Process Area 1.1. Place Import Order

The first and only activity in the core business process under the ‘Buy’ process area is “Place Import Order,” for import of LMVs from countries other than India as shown in Figure 4.2

Figure 4. 2 “Place Import Order” use case diagram



The use case diagram in Fig.4.2 suggests that there are two participants:

- Bhutanese Importer
- Exporter from Republic of Korea

Figure 4.3 “Place Import Order” activity diagram

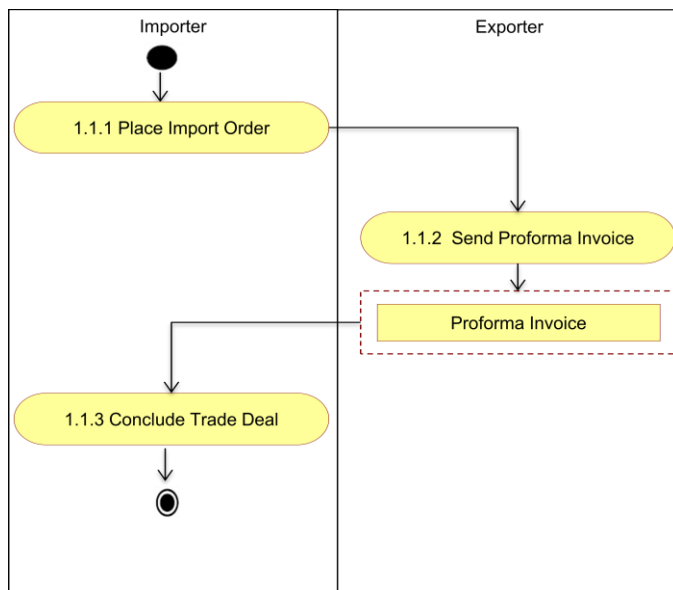


Table 4.1 “Place Import Order” process description

The name of a process area which this particular business process belongs to	1. Buy
The name of a business process	Place Import Order
Related rules and regulations	<ul style="list-style-type: none"> ▪ Rules and Regulations for Establishment and Operation of Industrial and Commercial Ventures in Bhutan, 1995 and 1997 ▪ Rules and Procedures for Import from Third Countries, 2002. ▪ Sales Tax, Customs and Excise Act of the Kingdom of Bhutan 2000 and Amended Act 2012. ▪ Rules (2002) on Sales Tax, Customs and Excise Act of the Kingdom of Bhutan 2000 ▪ Bhutan Wholesale Trade Regulation, 2006.
The name of process participants	<ul style="list-style-type: none"> ▪ Importer ▪ Manufacturer/Exporter
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> ▪ Have a Trade Licence
Procedures and associated documentary requirements to complete the process	<p>1.1.1. The Importer places an import order⁷ electronically for the number of vehicles to be imported from the Manufacturer/Exporter;</p> <p>1.1.2. The Manufacturer/Exporter responds to the inquiry by sending a Proforma Invoice for the number of vehicles to be imported; and</p> <p>1.1.3. The Exporter and Importer confirm⁸ the trade deal.</p>

⁷ As the Importer and Manufacturer/Exporter would have established business relations before, the terms and conditions of export are determined by the Manufacturer/Exporter including any discounts, there is no negotiation involved. The Importer straight away places the order for the number of vehicles to be imported based on which the Manufacturer/Exporter sends a Proforma Invoice.

⁸ The confirmation is through opening of a Letter of Credit for the import order.

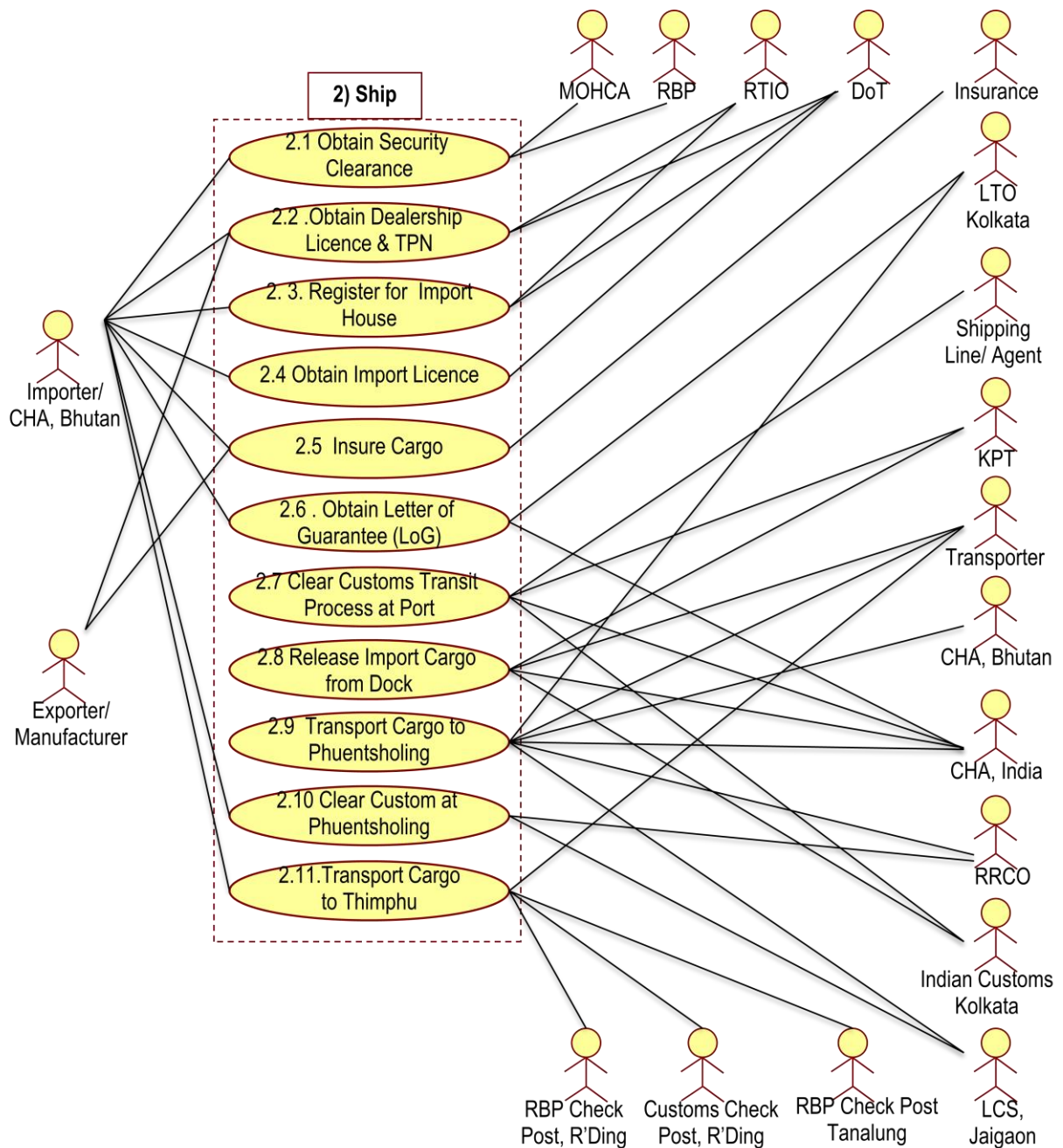
Output and criteria to exit the business process	▪ Confirmation of Import Order
Average time required to complete the process and/or durations for each involved transaction	Average time: 5 days ⁹
Average costs associated with the process	None
No. of copies of each document required	- Proforma Invoice: 1 copy Total 1 document, 1 copy
Mode of document submission	Electronic

Process Area 2: Ship

Under the second process area ‘Ship,’ there are 11 business processes to be completed for the import of LMVs from Republic of Korea to Bhutan including 5 regulatory requirements as shown in Figure 4.4. The other procedures involve transport arrangement, transit and Customs clearances.

⁹ The five days is an indicative period. The completion of this procedure may vary depending on situation from time to time.

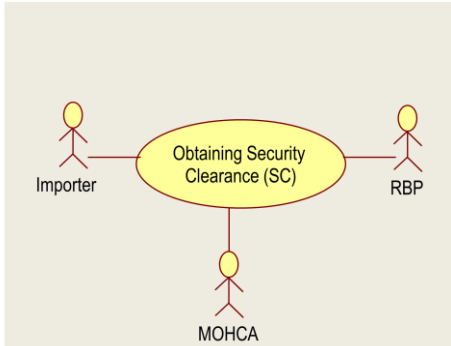
Figure 4. 4 Use case diagram of core business process in ‘Ship’ process area



Core Business Process Area 2.1. Obtain Security Clearance

The first of the 11 business processes to be completed under the ‘Ship’ business process is “Obtain Security Clearance” as shown in Figure 4.5.

Figure 4.5 “Obtain Security Clearance” Use Case Diagram



The first business process under the business process 2 is “Obtain Security Clearance” as shown in Figure 4.5. There are three actors involved:

- Importer
- Royal Bhutan Police
- Ministry of Home & Cultural Affairs (indirectly)

Figure 4.6 “Obtain Security Clearance” Activity Diagram

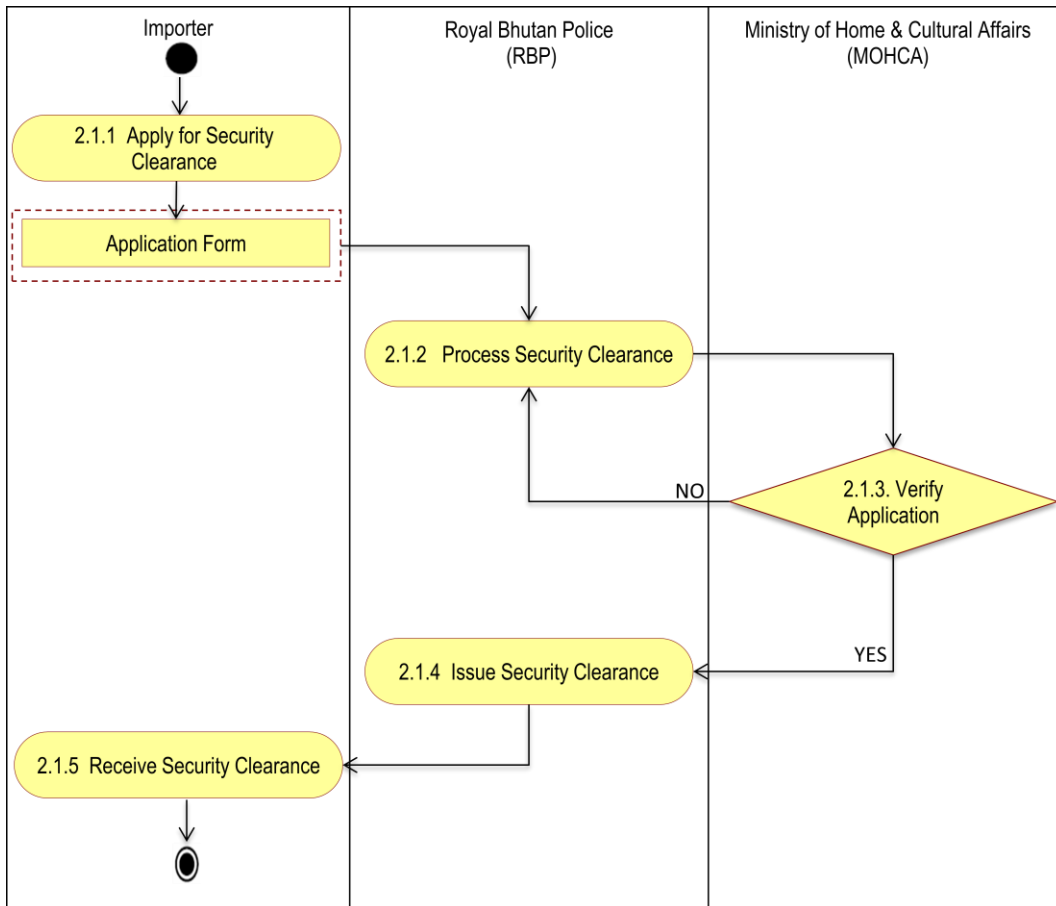


Table 4. 2 “Obtain Security Clearance” process description

The name of a process area which this particular business process belongs to	2. Ship
The name of a business process	2.1. Obtain Security Clearance
Related rules and regulations	<ul style="list-style-type: none"> ▪ Directive of the Department of Law and Order, Ministry of Home & Cultural Affairs
The name of process participants	<ul style="list-style-type: none"> ▪ Importer ▪ Royal Bhutan Police (RBP) ▪ Ministry of Home & Cultural Affairs (MoHCA)¹⁰
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> ▪ Have a Citizenship Identity Card
Procedures and associated documentary requirements to complete the process	<p>2.1.1. The Importer submits an application online to the RBP for processing Security Clearance;</p> <p>2.1.2. The RBP processes the Security Clearance online with the Ministry of Home & Cultural Affairs (MoHCA) (Department of Law & Order and Department of Civil Registration)¹¹;</p> <p>2.1.3. The MoHCA clears the Security Clearance online if there are no adverse records on the applicant. If latter, the applicant has to reprocess with MoHCA;</p> <p>2.1.4. The RBP issues the Security Clearance online if cleared by the MoHCA; and</p> <p>2.1.5. The Importer receives the Security Clearance.</p>
Output and criteria to exit the business process	<ul style="list-style-type: none"> ▪ Receipt of Security Clearance
Average time required to complete the process and/or durations for each involved transaction	Average time: 1 day (24 hrs.)
Average costs associated with the process	None
No. of copies of each document required	Application Form: 1 copy Total 1 document, 1 copy
Mode of document submission	Electronic

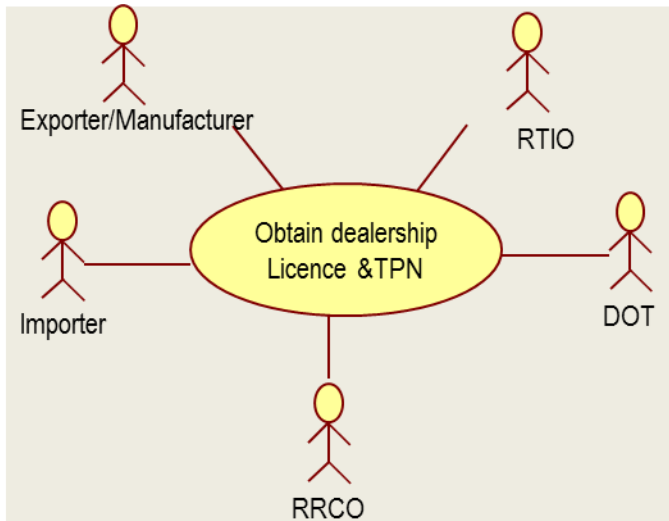
¹⁰ The MoHCA is indirectly involved with the Importer, and directly if he/she has an adverse record.

¹¹ If an Exporter has an adverse record, he/she would have to first clear the information with the Ministry of Home & Cultural Affairs to enable the RBP to issue the Security Clearance. This would take more than 24 hours.

Core Business Process Area 2.2. Obtain Dealership Licence and Tax Payer's Number (TPN)

The second core business process under the 'Buy' process area is "Obtain Dealership Licence and TPN," as shown in Figure 4.7.

Figure 4.7 "Obtain Dealership Licence and TPN" use case diagram



As shown in the use case diagram in Figure 4.7, five participants are involved in completing this procedure "Obtain Dealership Licence and TPN" which are:

- Exporter
- Importer
- Department of Trade
- Regional Trade & Industry Office
- Regional Revenue and Customs Office

Figure 4. 8 “Obtain Dealership License and TPN” activity diagram

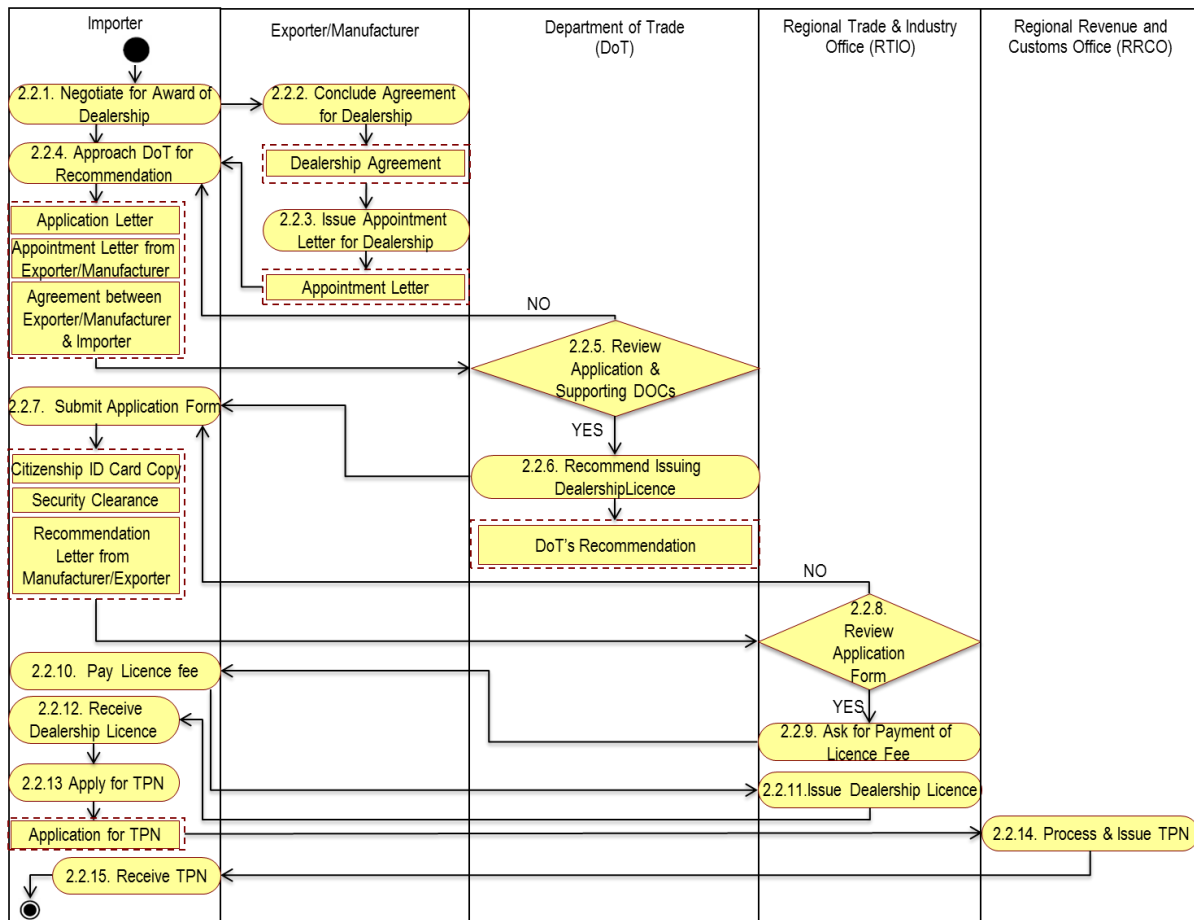


Table 4. 3 “Obtain Dealership License and TPN” process description

The name of a process area which this particular business process belongs to	2. Ship
The name of a business process	2.2. Obtain Dealership ¹² Licence and TPN
Related rules and regulations	<ul style="list-style-type: none"> ▪ Rules and Regulations for Establishment and Operation of Industrial and Commercial Ventures in Bhutan, 1995 and 1997. ▪ Bhutan Wholesale Trade Regulation, 2006.¹³
The name of process participants	<ul style="list-style-type: none"> ▪ Importer ▪ Exporter/ Manufacturer ▪ Department of Trade (DoT) ▪ Regional Trade & Industry Office (RTIO)

¹² The study takes the example of a motor vehicle dealer (wholesale) for importing LMVs from the Republic of Korea. In this case, the procedure is similar to that of obtaining a wholesale trade licence.

¹³ The wholesale and retail trade is categorized as Large with turnover of Nu. 10 million; Medium with turnover of Nu. 5-10 million; Small with turnover of Nu. 1-5 million; and Micro with turnover of less than Nu. 1 million. The Micro category does not need any licence but requires a registration. Further, three regulations issued in 2006 by the Department of Trade, Ministry of Economic Affairs are in place pertaining to Micro-Trade, Retail Trade and Wholesale Trade. In the case of import of LMVs, only the Wholesale Trade Regulation is applicable.

	<ul style="list-style-type: none"> ▪ Regional revenue and customs office
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> ▪ Have a Citizenship Identity Card ▪ Have a Security Clearance
Procedures and associated documentary requirements to complete the process	<p>2.2.1. The Importer first negotiates the terms and conditions for a dealership permit from the Manufacturer/Exporter of light motor vehicles (LMVs);</p> <p>2.2.2. The Importer and Exporter/Manufacturer conclude an Agreement for the dealership that is renewable yearly;</p> <p>2.2.3. The Exporter/Manufacturer issues a Letter of Appointment for Dealership to the Importer;</p> <p>2.2.4. The Importer submits a written application to the Department of Trade (DoT) for recommendation of issuing a Dealership Licence by attaching a copy of the Agreement between the Importer and Exporter/Manufacturer and a copy of letter issued by the Exporter/Manufacturer appointing the Importer as its dealer/distributor in Bhutan;</p> <p>2.2.5. The DoT reviews the application and supporting documents;</p> <p>2.2.6. If satisfied, the DoT sends a recommendation letter to the Regional Trade & Industry Office (RTIO) for issuing a Dealership Licence;</p> <p>2.2.7. The Importer submits in person the Application Form for Wholesale Trade licence that can be down loaded from the Ministry of Economic Affairs website www.moea.gov.bt to the RTIO responsible for services in that particular region¹⁴ for processing the Dealership Licence. The Importer has to attach a copy of the CID card and Security Clearance along with the Application Form and the recommendation from DoT;</p> <p>2.2.8. The RTIO scrutinizes the Application Form;</p> <p>2.2.9. If the application is accepted, RTIO asks the Importer to pay the applicable licence fee;</p> <p>2.2.10. The Importer pays the licence fee for that particular category/scale¹⁵ of the licence;</p> <p>2.2.11. The RTIO issues the Dealership Licence;</p> <p>2.2.12. The Importer receives the Dealership Licence;</p> <p>2.2.13. The Importer applies for TPN online;</p> <p>2.2.14. DRC processes and issues TPN online; and</p> <p>2.2.15. The Importer receives TPN online.</p>
Output and criteria to exit the business process	<ul style="list-style-type: none"> ▪ Receipt of Wholesale Trade (Dealership) Licence
Average time required to complete the process and/or durations for each involved transaction	Average time: 2 hrs ¹⁶ .
Average costs associated with the process	Nu. 10,000.00 (\$153.85)

¹⁴ The RTIO offices are located in Thimphu, Phuentsholing, Gelephu, Trongsa, Mongar and Samdrup Jongkhar.

¹⁵ The licence fee taken for the study is for a Large Scale with an annual turnover of at least Nu. 10 million. The licence fees for this category are Nu. 10,000. 00 and the licence has to be renewed every year by paying the same amount.

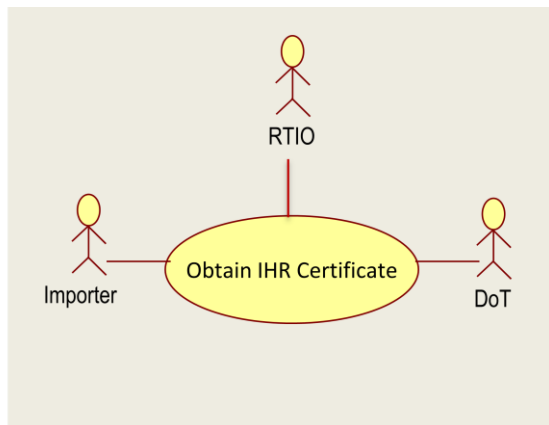
¹⁶ One hour for obtaining a Dealership Licence and another hour for getting a TPIN online.

No. of copies of each document required	<ul style="list-style-type: none"> - Security Clearance: 1 copy - Wholesale (Dealership) Trade Licence Application Form: 1 copy - Recommendation Letter from DoT: 1 copy - Application for TPN: 1 copy <p>Note: There is no manual application required for TPN. It is all online. In case an individual doesn't know how to do it online then she/he can personally come to concerned RRCO with a copy of trade license and CID copy. Accordingly, tax officials will register and issue TPN.</p> <p>Total: 4 documents, 1 copy each</p>
Mode of document submission	Electronic/Manual ¹⁷

Core Business Process Area 2.3. “Obtain Import House Registration (IHR) Certificate”

The third core business process under the ‘Buy’ process area is “Obtain IHR Certificate”, and it is shown in Figure 4.9.

Figure 4.9 “Obtain IHR Certificate” Use Case Diagram



The IHR Certificate can be obtained from DoT after the RTIO verifies the existence of the retail or wholesale business of the Importer. Hence, three actors participate in this activity “Obtain IHR Certificate” as shown in use case diagram in Figure 4.9:

- Importer
- Department of Trade
- Regional Trade and Industry Office

¹⁷ The Department of Trade has introduced an online system from September 2016 (*Kuensel*, 16 September 2016) for issue of licence and other related documents. Until the process is fully stabilized, both electronic/manual systems will be operational.

Figure 4. 10 “Obtain IHR Certificate” Activity Diagram

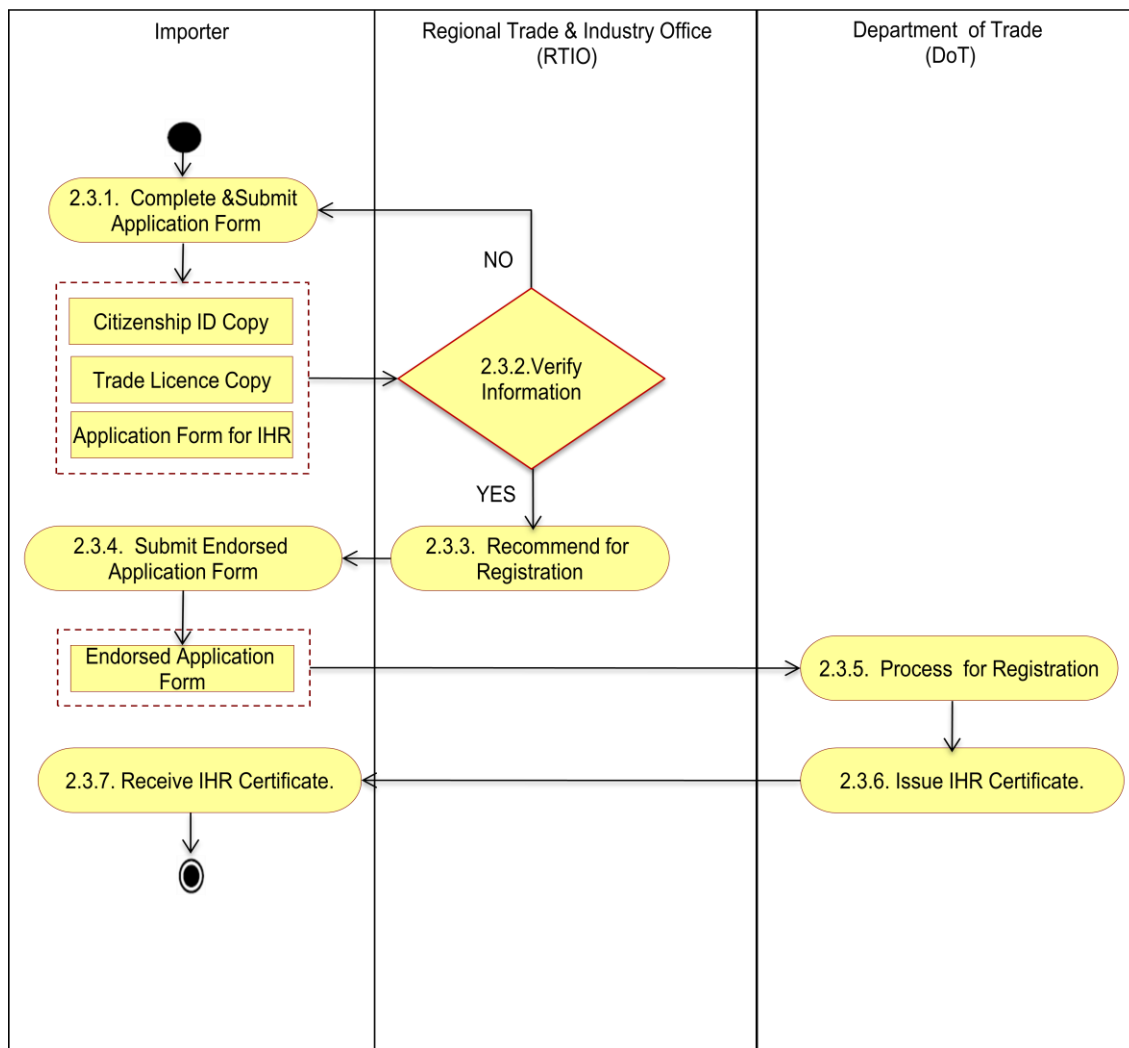


Table 4. 4 “Obtain Import House Registration (IHR) Certificate”

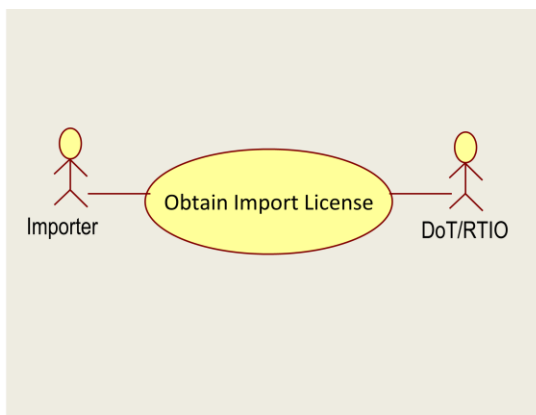
The name of a process area which this particular business process belongs to	2. Ship
The name of a business process	2.3. Obtain Import House Registration (IHR) Certificate
Related rules and regulations	<ul style="list-style-type: none"> ▪ Rules and Regulations for Establishment and Operation of Industrial and Commercial Ventures in Bhutan, 1995 and 1997. ▪ Rules and Procedures for Import from Third Countries, 2002. ▪ Bhutan Wholesale Trade Regulation, 2006. ▪ Bhutan Import House Guideline, 2005
The name of process participants	<ul style="list-style-type: none"> ▪ Importer ▪ RTIO ▪ Department of Trade (DoT)
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> ▪ Have a Trade Licence ▪ Have a Tax Payers Identification Number (TPIN) from the Department of Revenue & Customs (DRC)

Procedures and associated documentary requirements to complete the process	<p>2.3.1. The Importer submits in person the Application Form that can be downloaded from the Ministry of Economic Affairs website www.moea.gov.bt to the Regional Trade & Industry Office (RTIO) responsible for services in that particular region for endorsement. The Importer has to attach a copy of the Citizenship Identity Card and copy of the Dealership Licence;</p> <p>2.3.2. The RTIO scrutinizes the Application Form and physically verifies the Importer’s establishment;</p> <p>2.3.3. The RTIO recommends for registering the applicant as an Import House in the Application Form subject to it being satisfied;</p> <p>2.3.4. The Importer submits the recommended Application Form to the Import Licensing Section (ILS), DoT;</p> <p>2.3.5. The ILS, DoT processes the Application;</p> <p>2.3.6. The ILS, DoT issues a Certificate registering the Importer’s business as an Import House; and</p> <p>2.3.7. The Importer receives the Import House Registration Certificate.</p>
Output and criteria to exit the business process	<ul style="list-style-type: none"> ▪ Receipt of IHR Certificate
Average time required to complete the process and/or durations for each involved transaction	<p>Average time: 30 minutes</p>
Average costs associated with the process	<p>None</p>
No. of copies of each document required	<p>-Application form for IHR Registration: 1 copy - Dealership Licence: 1 copy - CID card: 1 copy</p> <p>Total: 3 documents, one copy each</p>
Mode of document submission	<p>Electronic/Manual</p>

Core Business Process Area 2.4. Obtain Import Licence

The fourth core business process under the ‘Ship’ process area is “Obtain Import Licence,” and is shown in Figure 4.11.

Figure 4. 11 “Obtain Import License” Use Case Diagram



The Use Case Diagram in Figure 4.11 shows the involvement of two actors in fulfilling the business process “Obtain Import Licence.” They are:

- Department of Trade/Regional Trade and Industry Office
- Importer

Figure 4. 12 “Obtain Import License” Activity Diagram

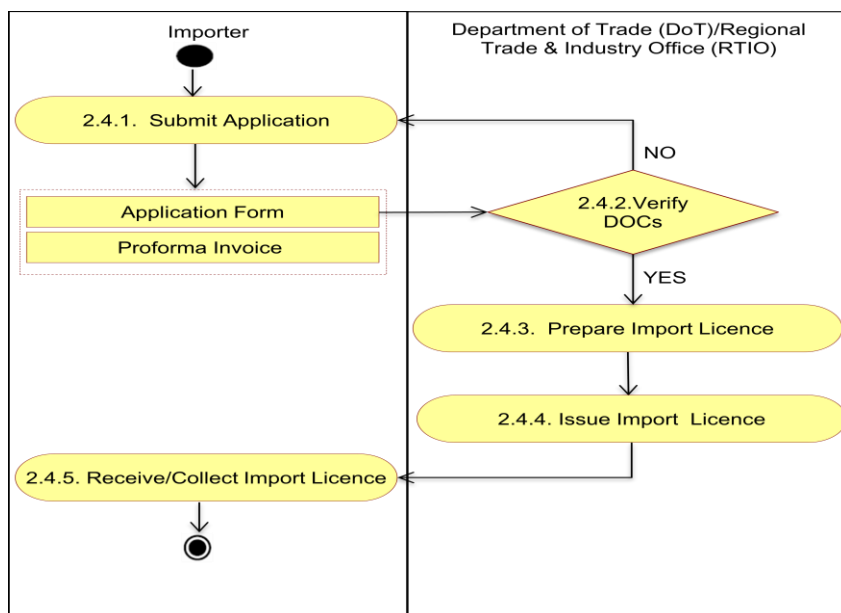


Table 4. 5 “Obtain Import License” process description

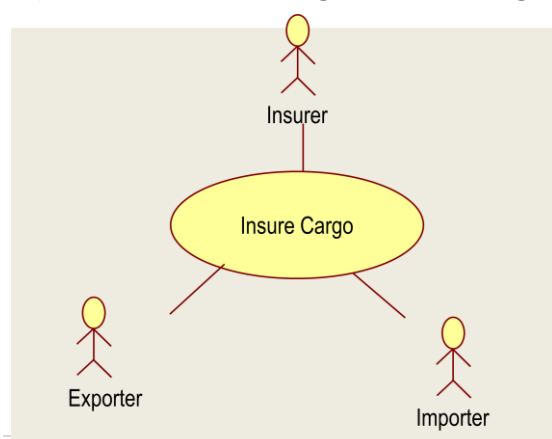
The name of a process area which this particular business process belongs to	2. Ship
The name of a business process	2.4. Obtain Import License
Related rules and regulations	<ul style="list-style-type: none"> ▪ Rules and Regulations for Establishment and Operation of Industrial and Commercial Ventures in Bhutan, 1995 and 1997 ▪ Rules and Procedures for Import from Third Countries, 2002 ▪ Bhutan Wholesale Trade Regulation, 2006 ▪ Bhutan Retail Trade Regulation, 2006

	<ul style="list-style-type: none"> ▪ Bhutan Import House Guideline, 2005
The name of process participants	<ul style="list-style-type: none"> ▪ Importer ▪ Department of Trade (DoT)/Regional Trade & Industry Office (RTIO)
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> ▪ Have an Import House Registration Certificate ▪ Have valid Tax Payer Number (TPN) from the Department of Revenue & Customs (DRC)
Procedures and associated documentary requirements to complete the process	<p>2.4.1. The Importer submits an Application Form that can be downloaded from the www.moea.gov.bt website (original and 2 copies) along with Proforma Invoice (5 copies) to the Import Licence Section (ILS), Department of Trade/RTIO, Ministry of Economic Affairs, Thimphu;</p> <p>2.4.2. The ILS, DoT/RTIO verifies the above documents;</p> <p>2.4.3. The ILS, DoT/RTIO prepares the Import Licence if the documents are in order. If not, the Importer has to re-submit the documents;</p> <p>2.4.4. The ILS, DoT/RTIO issues Import Licence; and</p> <p>2.4.5. The Importer receives/collects Import Licence.</p>
Output and criteria to exit the business process	<ul style="list-style-type: none"> ▪ Receipt of Import Licence
Average time required to complete the process and/or durations for each involved transaction	Average time: 4 hrs
Average costs associated with the process	None apart for making copies of Proforma Invoice and Import Licence Application Form
No. of copies of each document required	<ul style="list-style-type: none"> - Application Form: 3 copies - Proforma Invoice: 5 copies <p>Total: 2 documents, 8 copies as above documents</p>
Mode of document submission	Electronic/Manual

Core Business Process Area 2.5. “Insure Cargo”

The fifth core business process under the ‘Ship’ process area is “Insure Cargo,” and it is shown in the Figure 4.13

Figure 4.13 “Insure Cargo” use case diagram



For completing the business process “Insure Cargo,” three participants are involved as shown in use case diagram 4.13. They are:

- Manufacturer/Exporter
- Importer
- Insurer

Figure 4. 14 “Insure Cargo” activity diagram

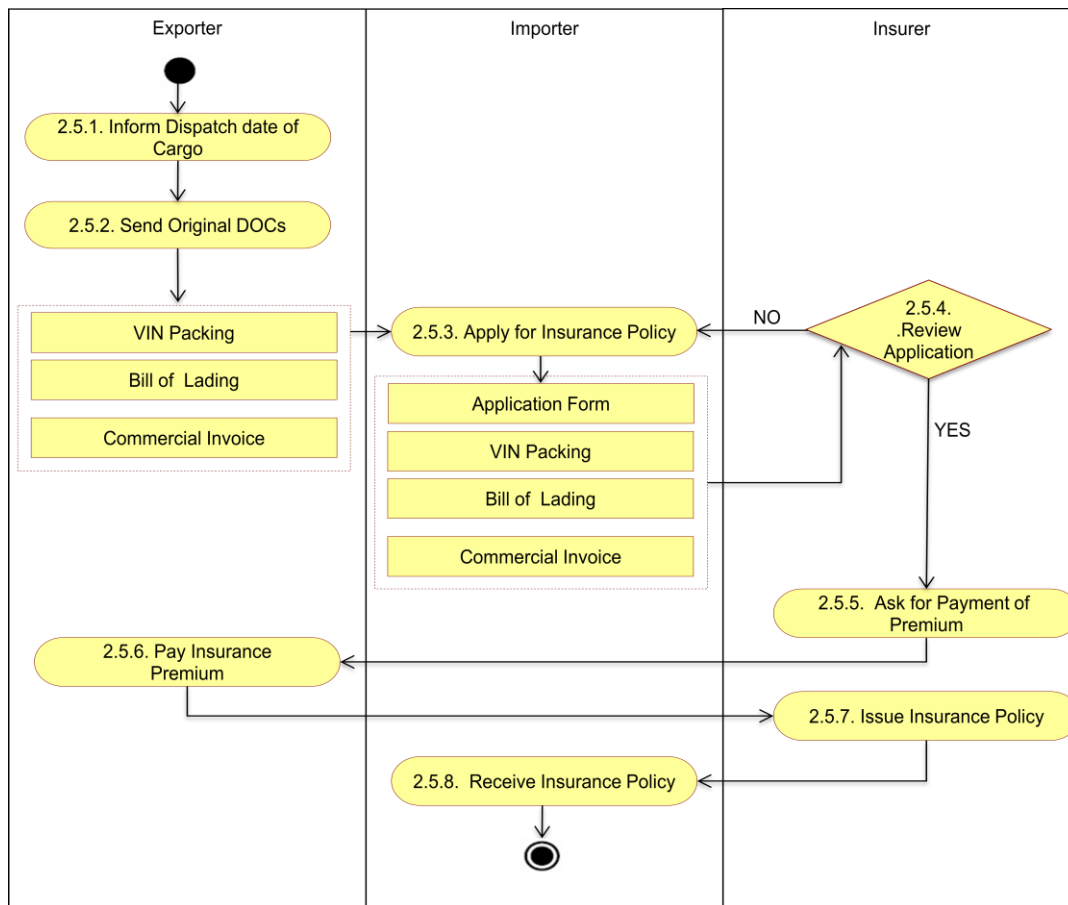


Table 4. 6 “Insure cargo” process description

The name of a process area which this particular business process belongs to	2. Ship
The name of a business process	2.5. Insure cargo
Related rules and regulations	<ul style="list-style-type: none"> ▪ Sales Tax, Customs & Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules and Procedures for Import from Third Countries, 2002 ▪ Rules (2002) on Bhutan Sales Tax, Customs and Excise Act of the Kingdom of Bhutan, 2000
The name of process participants	<ul style="list-style-type: none"> ▪ Manufacturer/Exporter ▪ Importer ▪ Insurer
Input and criteria to enter/begin the business	<ul style="list-style-type: none"> ▪ Cargo to be ready for shipping or cargo to be cleared from the Kolkata Port¹⁸

¹⁸ The practice for insuring import of light motor vehicles from third countries is that the Bhutanese Import Dealer insure the cargo from the origin to the destination for both marine and land transportation in transit, or

process	
Procedures and associated documentary requirements to complete the process	<p>2.5.1. The Manufacturer/Exporters informs the Importer on the likely date of cargo dispatch along with the name of the vessel;</p> <p>2.5.2. The Manufacturer/Exporter sends the original Bill of Lading, Commercial Invoice, Packing List and VIN Packing List (engine & chassis numbers) to the Importer by courier;</p> <p>2.5.3. The Importer applies for insurance policy to an insurance company¹⁹ in Bhutan along with Commercial Invoice, Packing List, VIN Packing List and Bill of Lading;</p> <p>2.5.4. The Insurer reviews the application;</p> <p>2.5.5. The Insurer asks for payment of the applicable premium from the Importer;</p> <p>2.5.6. The Importer pays the premium;</p> <p>2.5.7. The Insurer issues the insurance policy; and</p> <p>2.5.8. The Importer receives the insurance policy.</p>
Output and criteria to exit the business process	<ul style="list-style-type: none"> ▪ Obtain insurance policy
Average time required to complete the process and/or durations for each involved transaction	Average time: 1-2 hrs (1.30hrs)
Average costs associated with the process	<ul style="list-style-type: none"> - 0.70% for marine transport or \$139.00 - 0.45% for surface transport (transit) or \$79.50 <p>Total = \$218.50 per vehicle (Kia Sorrento) (\$223.55 actual)</p>
No. of copies of each document required	<ul style="list-style-type: none"> - Commercial Invoice: 1 - Packing List: 1 -VIN Packing List: 1 - Bill of Lading: 1 <p>Total, 4 documents, 4 copies (1 copy each of above.)</p>
Mode of documents submission	Manual

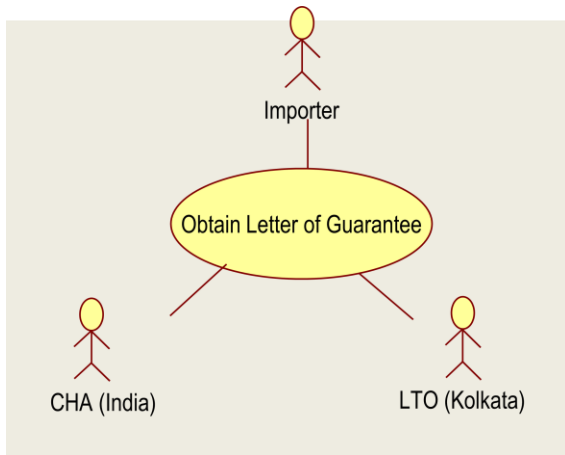
Core Business Process Area 2.6. Obtain Letter of Guarantee (LoG)

The sixth business process in the ‘Ship’ process area is “Obtain Letter of Guarantee,” and it is shown in Figure 4.15.

take a separate coverage for marine insurance up to Kolkata and from Kolkata to Bhutan. This example applies to the former.

¹⁹ There are two insurance companies in Bhutan – Royal Insurance Corporation of Bhutan Ltd, and Bhutan Insurance Company Ltd.

Figure 4.15 “Obtain Letter of Guarantee” use case diagram



For fulfilling the core business process “Obtain Letter of Guarantee” as shown in Fig. 4.15, three actors participate. They are:

- Importer
- Customs House Agent, India
- Liaison and Transit Office, DRC, Kolkata

Figure 4.16 “Obtain Letter of Guarantee” activity diagram

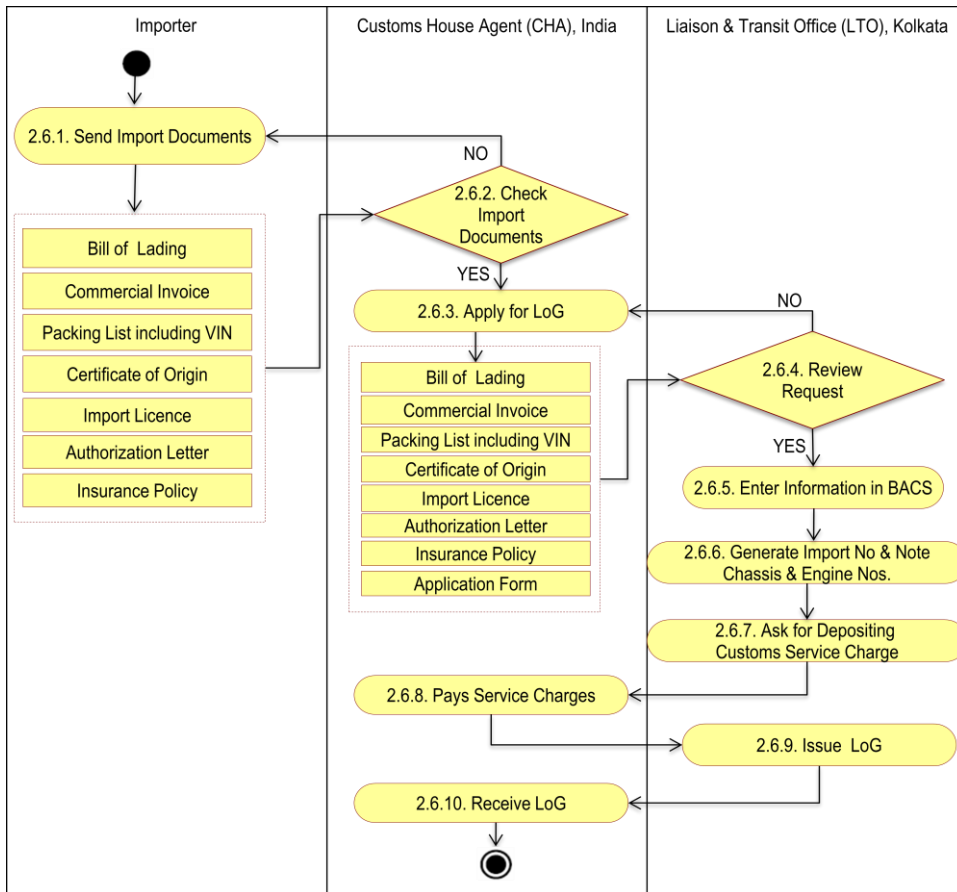


Table 4. 7 “Obtain Letter of Guarantee (LoG)” process description

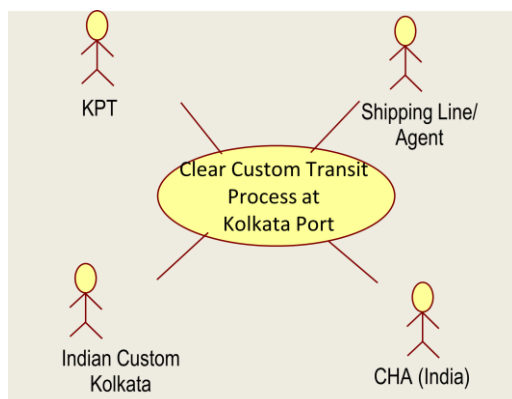
The name of a process area which this particular business process belongs to	2. Ship
The name of a business process	2.6. Obtain Letter of Guarantee (LoG)
Related rules and regulations	<ul style="list-style-type: none"> ▪ Protocol attached to the Agreement on Trade, Commerce and Transit between the Royal Government of Bhutan and the Government of the Republic of India, 2016 ▪ Sales Tax, Customs & Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules (2002) on Sales Tax, Customs & Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules and Procedures for Import from Third Countries, 2002 ▪ Customary Understanding between Bhutan and India on plying of Bhutan-registered vehicles in the Indian Territory
The name of process participants	<ul style="list-style-type: none"> ▪ Importer ▪ CHA, India ▪ Liaison and Transit Office (LTO), DRC, Kolkata
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> ▪ Import Licence ▪ Commercial Invoice ▪ Application Form for LoG ▪ Authorization Letter
Procedures and associated documentary requirements to complete the process	<p>2.6.1. The Importer sends by mail original import documents (Import Licence, Bill of Lading, Commercial Invoice, Packing List, Certificate of Origin, Insurance and Authorization Letter from Importer to CHA, India) to CHA, India;</p> <p>2.6.2. CHA, India checks the completeness of the above import documents;</p> <p>2.6.3. CHA, India submits an Application Form to the Liaison and Transit Office (LTO), DRC, Kolkata for LoG while attaching the above import documents;</p> <p>2.6.4. The LTO reviews the request for the LoG and supporting documents;</p> <p>2.6.5. If the documents are in order, the LTO enters the import information into its Bhutan Automated Customs System (BACS);</p> <p>2.6.6. The LTO generates an Import No. while noting the Chassis No. and Engine No. of the vehicle being imported;</p> <p>2.6.7. The LTO asks CHA, India to deposit the Customs service charge @0.25% of CIF Kolkata value of the import;</p> <p>2.6.8. CHA, India pays the Customs service charge to LTO on behalf of the Importer;</p> <p>2.6.9. The LTO signs and issues the LoG to CHA, India; and</p> <p>2.6.10. CHA, India receives the LoG.</p>
Output and criteria to exit the business process	<ul style="list-style-type: none"> ▪ Obtain Letter of Guarantee
Average time required to complete the process	Average time: 4 hours

and/or durations for each involved transaction	
Average costs associated with the process	- Customs service charge @0.25% of CIF value = Nu. 3.376.00 (on value of Nu. 1,350,285.21 (\$20,093.53) on a Kia Sorrento = \$51.95
No. of copies of each document required	- Application Form for LoG: 1 - Import Licence: 1 - Bill of Lading: 1 - Commercial Invoice: 1 - Packing List: 1 - Certificate of Origin: 1 - Insurance: 1 - Authorization Letter: 1 Total: 8 documents , 8 copies as above
Mode of documents submission	Electronic/Manual Note: Since the Indian Customs House Agent does not have access to BACS, LTO has formulated a LoG Form in the similar format as in BACS for them to fill in and submit to LTO. Accordingly, LTO verifies and records in the BACS. LoG is then issued through BACS

Core Business Process Area 2.7. Clear Customs Transit Process at Kolkata Port

The seventh business process under the ‘Ship’ process area is “Clear Customs Transit Process at Kolkata Port,” and it is shown in Figure 4.17.

Figure 4.17 “Clear Customs Transit Process at Kolkata Port” use case diagram



To complete the core business process “Clear Customs Transit Process at Kolkata Port,” for the import of LMVs from Republic of Korea to Bhutan, four actors are involved. As seen in Figure 4.17, they are:

- Customs House Agent, India
- Indian Customs, Kolkata
- Kolkata Port Trust
- Shipping Line/Agent

Figure 4. 18 “Clear Customs Transit Process at Kolkata Port” activity diagram

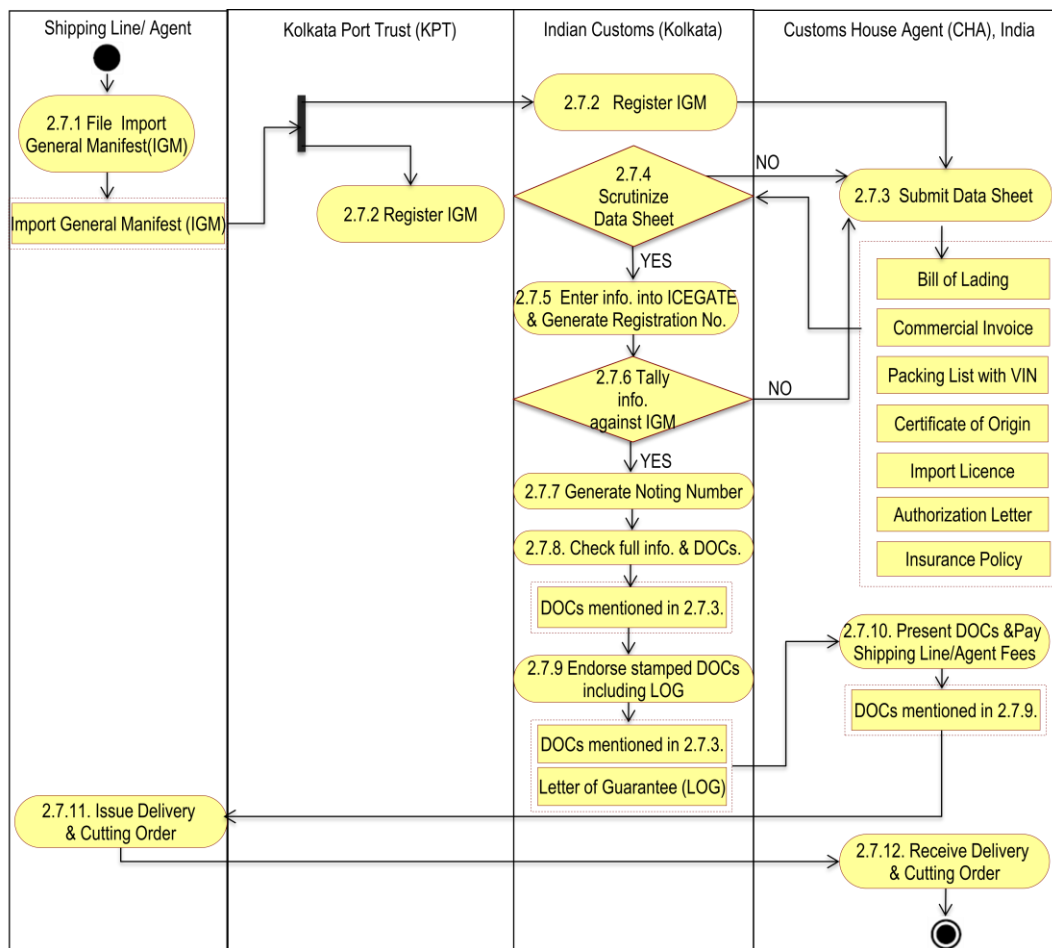


Table 4. 8 “Clear Customs Transit Process at Kolkata Port” process description

The name of a process area which this particular business process belongs to	2. Ship
The name of a business process	2.7. Clear Customs Transit Process at Kolkata Port
Related rules and regulations	<ul style="list-style-type: none"> ▪ Protocol attached to the Agreement on Trade, Commerce and Transit between the Royal Government of Bhutan and the Government of the Republic of India, 2016 ▪ Sales Tax, Customs and Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules (2002) on Bhutan Sales Tax, Customs and Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules and Procedures for Import from Third Countries, 2002 ▪ Calcutta Port Rules, 1994 ▪ Calcutta Port Trust (Licensing of Stevedores) Regulations, 1987
The name of process participants	<ul style="list-style-type: none"> ▪ Shipping Line/Agent, Kolkata ▪ Indian Customs, Bhutan and Nepal Unit, Kolkata (Main Office and Port) ▪ Kolkata Port Trust (KPT) ▪ Customs House Agent (CHA), India
Input and criteria to enter/begin the business	<ul style="list-style-type: none"> ▪ Letter of Guarantee ▪ Import General Manifest

process	
Procedures and associated documentary requirements to complete the process	<p>2.7.1. The Shipping Line/Agent electronically files the Import General Manifest (IGM) with the Indian Customs information system, ICEGATE, and KPT information system normally 48 hours before the arrival of the ship at the port;</p> <p>2.7.2. The IGM is registered in the Indian Customs' and KPT information system simultaneously;</p> <p>2.7.3. The CHA, India submits a 'Data Sheet' (a form with import details) to the Indian Customs, Bhutan-Nepal Unit on the basis of original documents received from Importer/CHA, Bhutan. These documents are Bill of Lading, Commercial Invoice, Packing List including VIN List, Import Licence, Certificate of Origin,²⁰ Importer's Authorization and Insurance Policy;</p> <p>2.7.4. The Indian Customs, verifies the information submitted by CHA, India in the Data Sheet;</p> <p>2.7.5. If documents are correct, the Indian Customs enter the information in ICEGATE and generates a registration number. If incorrect, it returns to CHA, India for re-submission;</p> <p>2.7.6. The Indian Customs, tallies the information against the IGM. If the information is not matching, the IGM needs to be amended by the Shipping Line/Agent through CHA, India;</p> <p>2.7.7. The Indian Customs then generates a 'Noting Number' for entry in the LoG;</p> <p>2.7.8. The Indian Customs (Superintendent) checks the completeness and correctness of the information submitted in the Data Sheet and other import documents as given in 2.7.3. above;</p> <p>2.7.9. The Indian Customs (Superintendent) endorse and stamp the import documents including the LoG; and</p> <p>2.7.10. CHA, India presents stamped documents and pays Shipping Line/Agent fees;</p> <p>2.7.11. Shipping Line/Agent issues Delivery Order²¹ along with a Cutting Order²² to CHA, India for removal of goods from dock after completion of customs and related procedures; and</p> <p>2.7.12. CHA, India receives Delivery Order and Cutting Order</p>
Output and criteria to exit the business process	<ul style="list-style-type: none"> ▪ CHA, India receives endorsed LoG, Delivery Order and other import documents from Indian Customs, Bhutan-Nepal Unit.
Average time required to complete the process and/or durations for each involved transaction	Average time: 1 day
Average costs associated with the process	<p>Average: -</p> <ul style="list-style-type: none"> - Landing charge Nu. 13,502.85 or \$207.70 - Shipping Line/Agent fee/charge Nu. 4,580.00 or \$70.45 <p>Total \$278.15</p>
No. of copies of each document required	<ul style="list-style-type: none"> - Bill of Lading - Commercial Invoice

²⁰ The Certificate of Origin is optional and therefore not included in the list of documents under this activity.

²¹ This denotes the location of import cargo, container No., Rotation No., etc.

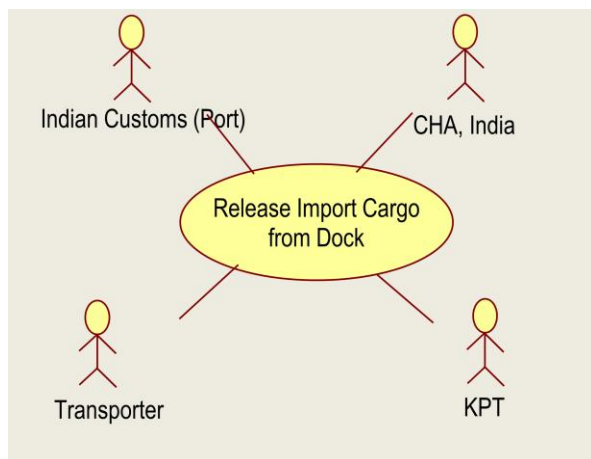
²² This is to facilitate storage of the import cargo.

	<ul style="list-style-type: none"> - Packing List - VIN Packing - Import Licence - Certificate of Origin - Letter of Guarantee - Importer's Authorization - Insurance Policy <p>Total: 9 documents, 9 copies as given above</p>
Mode of document submission	Manual/electronic

Core Business Process Area 2.8. Release import cargo from the dock

The eighth business process under the 'Ship' process area is "Release import cargo from the dock" and it is shown in Figure 4.19.

Figure 4.19 "Release import cargo from the dock" use case diagram



For the business process area "Release import cargo from the dock" for import of LMVs from Republic of Korea to Bhutan, four participants are involved as seen in use case diagram 4.19. They are:

- Indian Customs, Kolkata (port)
- Customs House Agent, India
- Kolkata Port Authority
- Transporter

Figure 4. 20 “Release import cargo from the dock” activity diagram

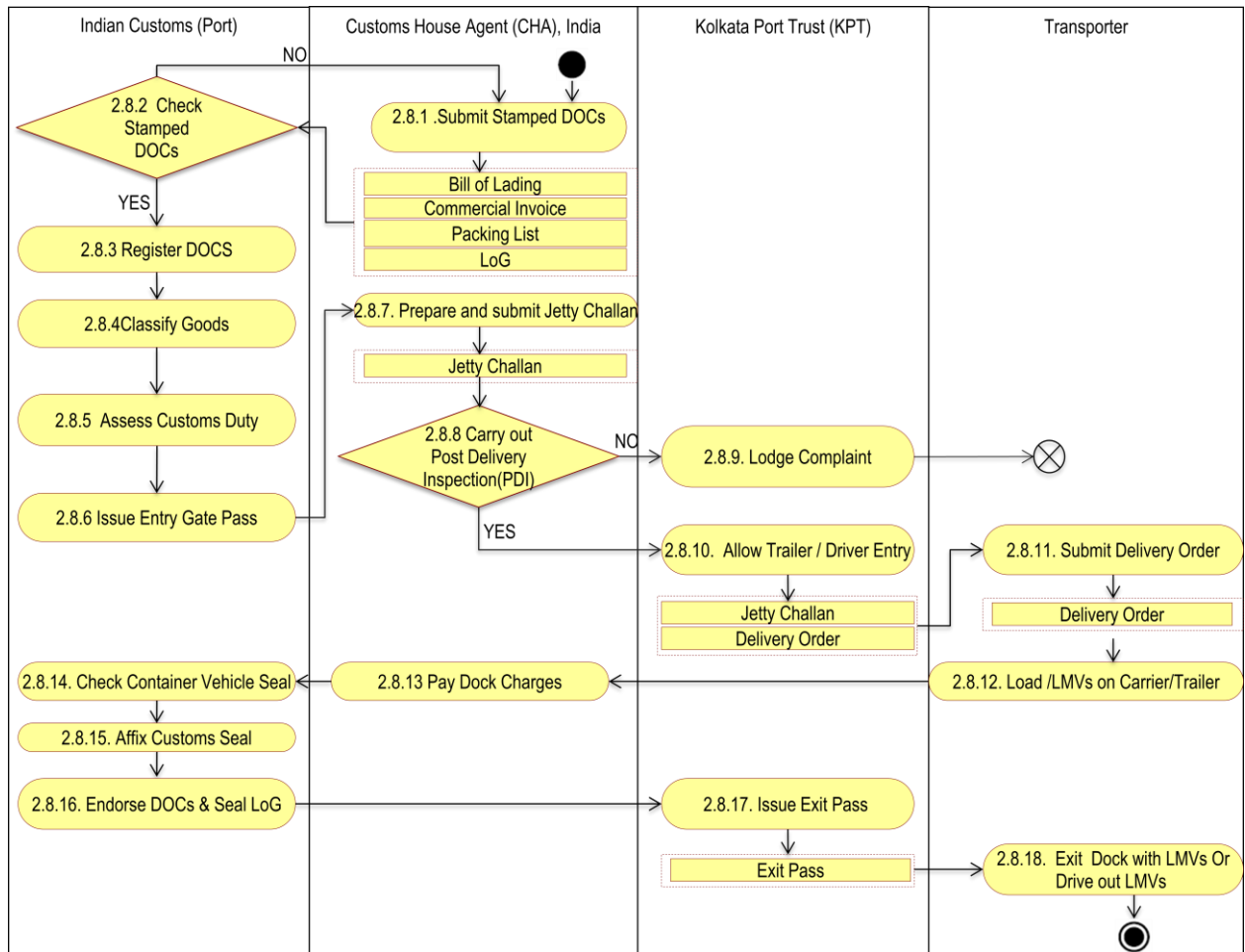


Table 4. 9 “Release import cargo from the dock” process description

<i>The name of a process area which this particular business process belongs to</i>	2. Ship
<i>The name of a business process</i>	2.8. Release import cargo from the dock
<i>Related rules and regulations</i>	<ul style="list-style-type: none"> ▪ Protocol attached to the Agreement on Trade, Commerce and Transit between the Royal Government of Bhutan and the Government of the Republic of India, 2016 ▪ Calcutta Port Rules, 1994 ▪ Calcutta Port Trust (Licensing of Stevedores) Regulations, 1987 ▪ Sales Tax, Customs and Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules (2002) on Bhutan Sales Tax, Customs and Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules and Procedures for Import from Third Countries, 2002
<i>The name of process participants</i>	<ul style="list-style-type: none"> ▪ Transporter ▪ CHA, India ▪ Indian Customs (Port)

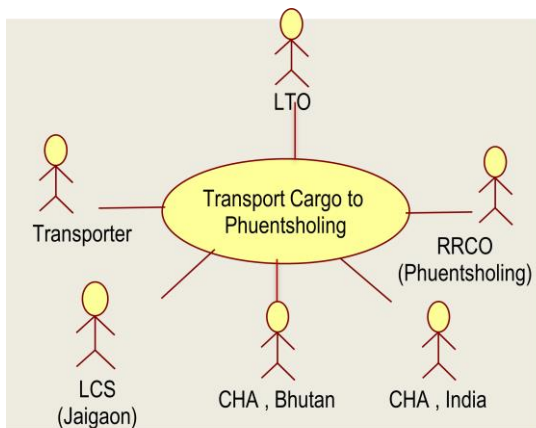
	<ul style="list-style-type: none"> ▪ Kolkata Port Trust (KPT)
<i>Input and criteria to enter/begin the business process</i>	<ul style="list-style-type: none"> ▪ Endorsement of the import documents including LoG by the Indian Customs, Bhutan-Nepal Unit
<i>Procedures and associated documentary requirements to complete the process</i>	<p>2.8.1. CHA, India submits the import documents to the Indian Customs at the Kolkata dock (Bill of Lading, Commercial Invoice, Packing List including VIN, Import Licence, Certificate of Origin, Importer's Authorization, Insurance Policy and LoG);</p> <p>2.8.2. The Indian Customs check the above import documents;</p> <p>2.8.3. The Indian Customs register import documents;</p> <p>2.8.4. The Indian Customs classify the imported goods as per their classification system; notes the 5th copy of the LoG to be given to the driver to present it to the Land Customs Station (LCS), Jaigaon, West Bengal, India before entering into Bhutan. The 4th copy is retained by CHA, India while the other three copies are for the Indian Customs, Transporter and the Importer;</p> <p>2.8.5. The Indian Customs assess customs duty of the imported goods;</p> <p>2.8.6. The Indian Customs issue an 'Entry Pass' allowing the Transporter to enter the dock to remove the import cargo;</p> <p>2.8.7. CHA, India prepares and submits a Jetty Challan to KPT/dock authority;</p> <p>2.8.8. CHA, India carries out pre-delivery inspection (PDI);</p> <p>2.8.9. If imported goods are damaged or tampered, CHA, India lodges a written complaint to KPTA/dock;</p> <p>2.8.10. If the imported goods are in order, the KPTA permits the Transporter to remove the goods from the dock;</p> <p>2.8.11. The Transporter submits the Delivery Order to the KPT/dock authorities for release of imported cargo;</p> <p>2.8.12. The imported goods are loaded in a carrier/trailer or readied for driving out from the dock;</p> <p>2.8.13. CHA, India pays dock charges</p> <p>2.8.14. The Indian Customs check container/vehicle seals;</p> <p>2.8.15. The Indian Customs affix a new seal in the carrier/trailer;</p> <p>2.8.16. The Indian Customs endorse the import documents and places LoG copy under a seal to give it to LCS, Jaigaon;</p> <p>2.8.17. Kolkata Port Trust (KPT) issue Exit Pass or Pass Out; and</p> <p>2.8.18. The LMV is driven out of the dock.</p>
<i>Output and criteria to exit the business process</i>	<ul style="list-style-type: none"> ▪ Payment of handling/dock charges ▪ Receipts of 'Pass Out' Slip from Indian Customs at the dock ▪ Removal of LMVs from the dock.
<i>Average time required to complete the process and/or durations for each involved transaction</i>	Average time: 1 day
<i>Average costs associated with the process</i>	<p>Average: US\$</p> <ul style="list-style-type: none"> - Port charges Nu. 5,717.00 - Clearing and handling charges Nu. 3,500.00 <p>Total Nu. 9,217.00 = \$141.80</p>
<i>No. of copies of each document required</i>	<ul style="list-style-type: none"> - Bill of Lading - Commercial Invoice - Packing List

	<ul style="list-style-type: none"> - VIN Packing - Import Licence - Certificate of Origin - Authorization Letter (from Importer) - Insurance Policy - Letter of Guarantee (5 copies) - Jetty Challan - Entry Pass <p>Total: 11 documents, 15 copies as given above</p>
Mode of doc. submission	Manual

Core Business Process Area 2.9. Transport cargo to Phuentsholing

The ninth business process under the ‘Ship’ process area is “Transport cargo to Phuentsholing”, and it is shown in Figure 4.21.

Figure 4. 21 “Transport cargo to Phuentsholing” use case diagram



Use case diagram in Figure 4.21. shows six participants in the business process “Transport cargo to Phuentsholing” on import of LMVs from Republic of Korea to Bhutan via Kolkata port. They are:

- Liaison and Transit Office, DRC
- Transporter
- Customs House Agent, India
- Land Customs Station, Jaigaon
- Customs House Agent, Bhutan
- Regional Revenue and Customs Office

Figure 4. 22 “Transport cargo to Phuentsholing” activity diagram

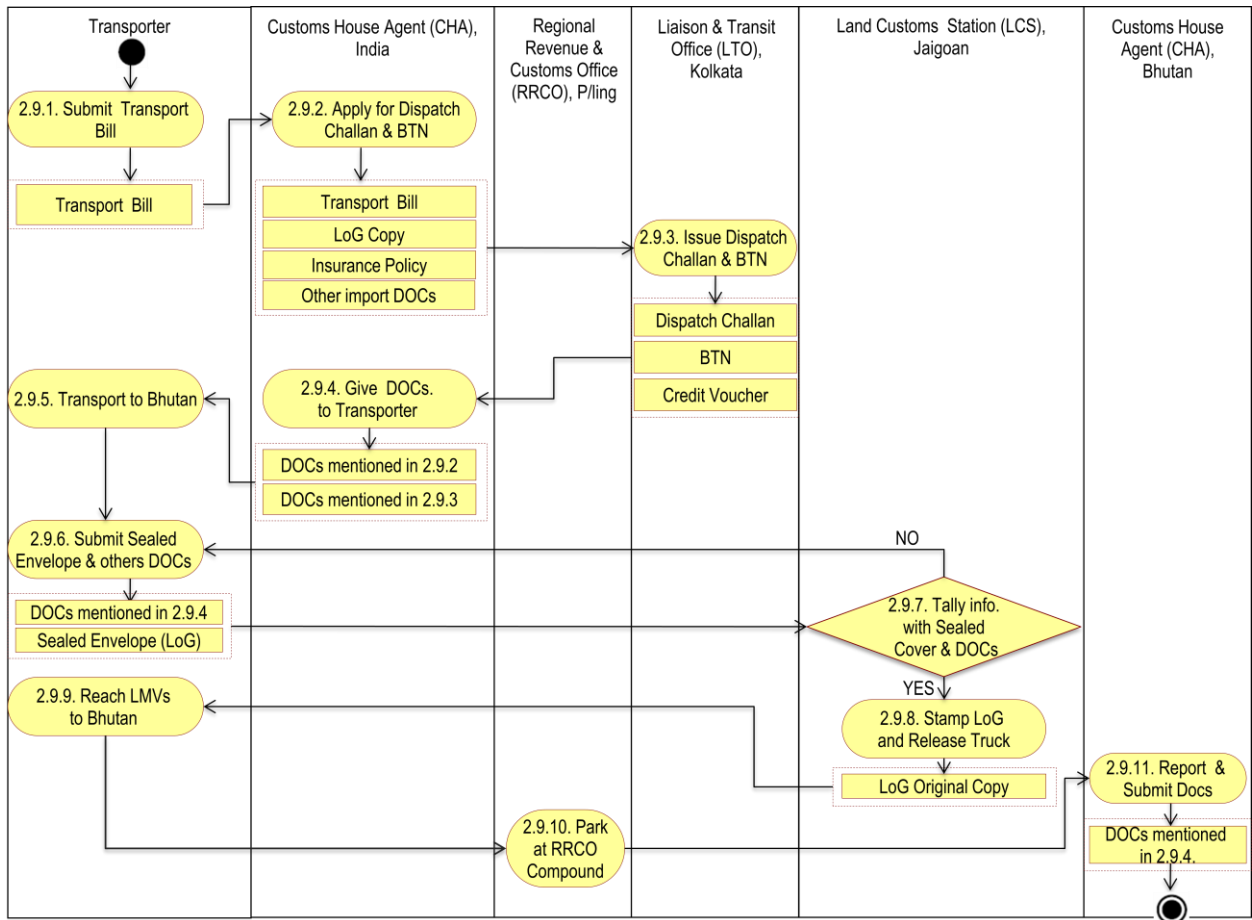


Table 4. 10 “Transport cargo to Phuentsholing” process description

The name of a process area which this particular business process belongs to	2. Ship
The name of a business process	2.9. Transport cargo to Phuentsholing
Related rules and regulations	<ul style="list-style-type: none"> ▪ Protocol attached to the Agreement on Trade, Commerce and Transit between the Royal Government of Bhutan and the Government of the Republic of India, 2016 ▪ Customary Understanding between Bhutan and India on plying of Bhutan-registered vehicles in the Indian Territory ▪ Sales Tax, Customs & Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules (2002) on Bhutan Sales Tax, Customs and Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules and Procedures for Import from Third Countries, 2002 ▪ Road Safety and Transport Act, 1999 (Bhutan)
The name of process participants	<ul style="list-style-type: none"> ▪ Liaison and Transit Office (LTO) of Bhutan, Kolkata, India ▪ CHA, India ▪ CHA, Bhutan

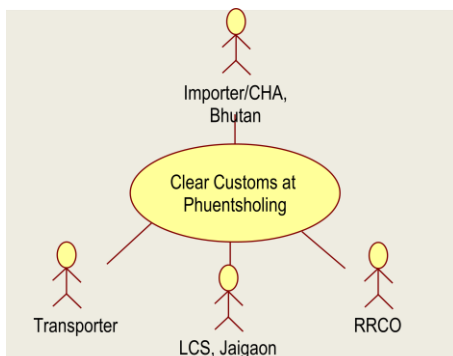
	<ul style="list-style-type: none"> ▪ Transporter from Kolkata to Phuentsholing, Bhutan ▪ Land Customs Station, Jaigaon, West Bengal, India ▪ Regional Revenue & Customs Office, (RRCO), Phuentsholing, Bhutan
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> ▪ Removal of LMVs from the dock by Transporter; and ▪ Receipt of Transport Challan from LTO.
Procedures and associated documentary requirements to complete the process	<p>2.9.1. The Transporter submits a Transport Bill to CHA, India for transporting the LMV to Phuentsholing, Bhutan;</p> <p>2.9.2. CHA, India applies for Dispatch Challan from LTO by submitting the Transport Bill, stamped LoG copy and insurance policy from Kolkata to Bhutan;</p> <p>2.9.3. The LTO issues its Dispatch Challan to CHA, India/Transporter along with 3rd and 4th copy of LoG, seal cover and credit voucher sent by the Exporter;</p> <p>2.9.4. The CHA, India hands over the documents and Dispatch Challan to Transporter;</p> <p>2.9.5. The Transporter transports the LMV to Phuentsholing, Bhutan via West Bengal, India in a truck carrier/trailer if multiple vehicles are to be transported, or driven by a driver for individual vehicle;</p> <p>2.9.6. The Transporter submits the import documents including the sealed LoG to LCS, Jaigaon;</p> <p>2.9.7. The LCS, Jaigaon verifies information with the sealed envelope containing the LoG and checks whether the customs seal is intact if LMV is transported by a truck carrier/trailer or in a container. If the LMV is driven by a driver, checking of the seal does not arise;</p> <p>2.9.8. If the seal is intact, the LCS, Jaigaon stamps the documents and releases the Transporter while retaining the sealed LoG copy;</p> <p>2.9.9. The Transporter reaches the LMV to Phuentsholing, Bhutan;</p> <p>2.9.10. The Transporter parks the LMV at RRCO compound/warehouse; and</p> <p>2.9.11. The Transporter reports and submits the import documents to CHA, Bhutan.</p>
Output and criteria to exit the business process	<ul style="list-style-type: none"> ▪ Delivery of imported LMVs at Phuentsholing
Average time required to complete the process and/or durations for each involved transaction	Average time: 2 days
Average costs associated with the process	<p>Average: Nu.</p> <ul style="list-style-type: none"> - Transportation by driver, Nu. 8,000.00 to Nu. 12,000.00 (average Nu. 10,000.00) - Customs clearing charge Nu. 300.00 - Miscellaneous charges Nu. 800.00 - CHA, India service charge Nu. 1,000.00 <p>Total Nu. 12,100.00 = \$186.15</p>
No. of copies of each document required	<ul style="list-style-type: none"> - Stamped LoG (3 copies – already included in 2.8) - Insurance policy - Dispatch Challan

	<ul style="list-style-type: none"> - Transport Bill - Credit voucher <p>Total: 5 documents, 7 copies as above</p>
Mode of document submission	<p>Manual/Electronic</p> <p>Note: The data is also transferred by LTO to RRCO PLing via email and it could be automatically fetched from BACS using the Import No.</p>

Core Business Process Area 2.10. Clear Customs at Phuentsholing

The tenth business process under the ‘Ship’ process area is “Clear Customs at Phuentsholing”, and it is shown in Figure 4.23.

Figure 4. 23 “Clear Customs at Phuentsholing” use case diagram



On the import of LMVs from Republic of Korea to Bhutan via Kolkata, four actors are required for Customs clearance at Phuentsholing as shown in use case diagram in Figure 4.23:

- Transporter
- Regional Revenue & Customs Office, Phuentsholing
- Importer or Importer’s representative, the CHA, Bhutan
- Land Customs Station, Jaigaon

Figure 4. 24 “Clear Customs at Phuentsholing” activity diagram

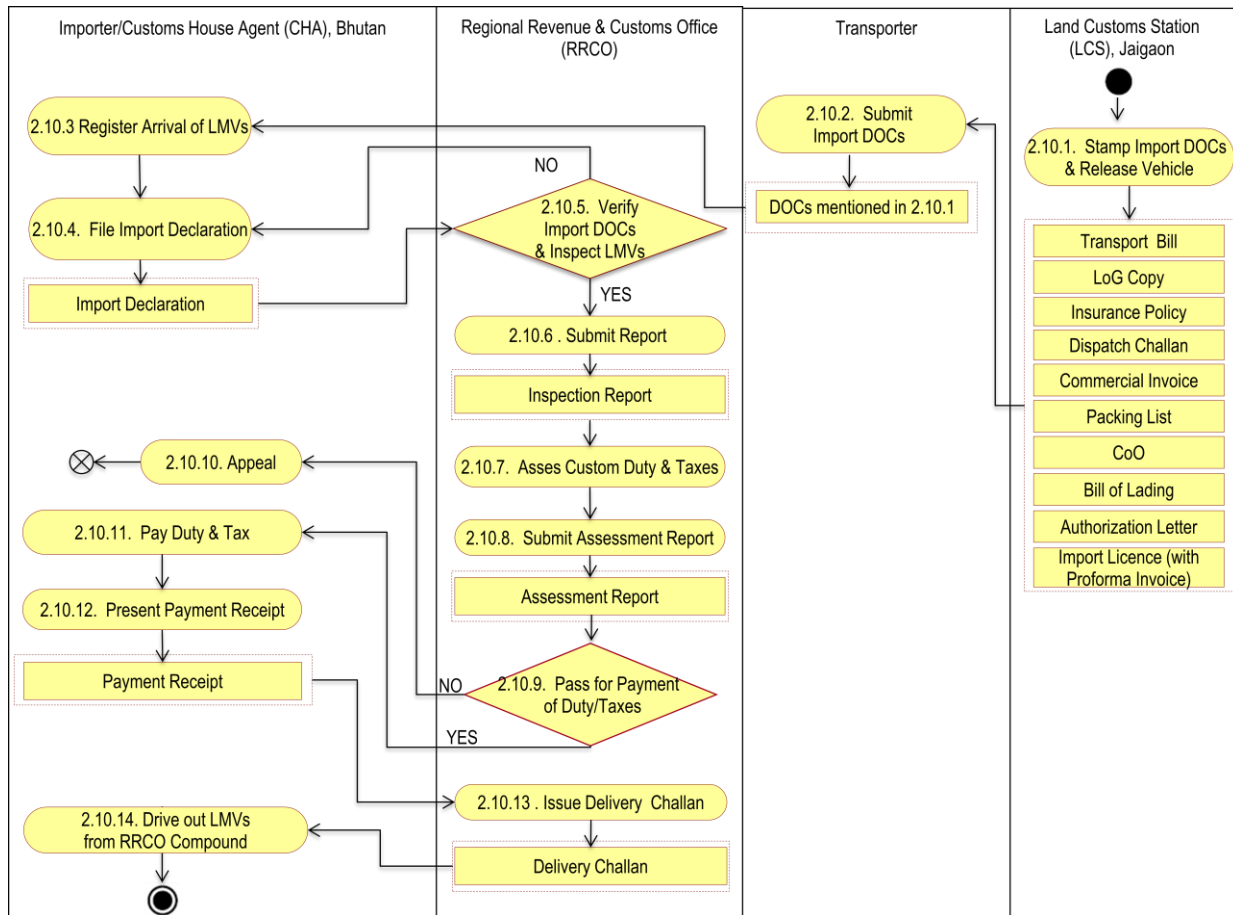


Table 4. 11 “Clear Customs at Phuentsholing” process description

The name of a process area which this particular business process belongs to	2. Ship
The name of a business process	2.10. Clear Customs at Phuentsholing
Related rules and regulations	<ul style="list-style-type: none"> ▪ Protocol attached to the Agreement on Trade, Commerce and Transit between the Royal Government of Bhutan and the Government of the Republic of India, 2016 ▪ Sales Tax, Customs & Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules (2002) on Bhutan Sales Tax, Customs and Excise Act, 2000 ▪ Rules and Procedures for Import from Third Countries, 2002 ▪ Road Safety and Transport Act 1999 ▪ Customary Understanding between Bhutan and India on plying of Bhutan-registered vehicles in the Indian Territory
The name of process participants	<ul style="list-style-type: none"> ▪ Transporter ▪ LCS, Jaigaon ▪ Regional Revenue & Customs Office, (RRCO), Phuentsholing ▪ Importer/Customs House Agent (CHA), Bhutan
Input and criteria to enter/begin the business	<ul style="list-style-type: none"> ▪ Importer/CHA, Bhutan or Transporter has obtained transit clearance at Jaigaon, India

process	<ul style="list-style-type: none"> ▪ Importer has submitted the full set of import documents including Dispatch Challan from LTO, Kolkata
Procedures and associated documentary requirements to complete the process	<p>2.10.1. The LCS, Jaigaon releases the import after checking and stamping import documents;</p> <p>2.10.2. The Transporter reports arrival of cargo to CHA, Bhutan and hands over the import documents (Transport Bill, LoG, Import Licence along with Proforma Invoice, Dispatch Challan, Commercial Invoice, Packing List, Bill of Lading, Certificate of Origin, Insurance Policy, Authorization Letter);</p> <p>2.10.3. The CHA, Bhutan registers arrival of the LMV at the Third Country Import Section, RRCO, Phuentsholing;</p> <p>2.10.4. The CHA, Bhutan files Import Declaration along with the import documents to the Officer-in-Charge;</p> <p>2.10.5. The Officer-in-Charge assigns a Customs Inspector to verify the documents and inspect the vehicle(s), especially the chassis and engine numbers if all documents are in order. If the documents are incomplete or inaccurate, CHA, Bhutan has to re-submit the documents;</p> <p>2.10.6. The Customs Inspector submits a verification report to the Officer-in-Charge;</p> <p>2.10.7. Based on the report, the Officer-in-Charge directs the Assessment Officer to assess customs duty and taxes;</p> <p>2.10.8. The Assessment Officer submits an assessment report on duty and taxes to the Officer-in-Charge for approval;</p> <p>2.10.9. If the assessment is as per the Import Declaration, the Officer-in-Charge passes the documents for making payment of duty and taxes by Importer/CHA, Bhutan.</p> <p>2.10.10. If the valuation is not as per the Import Declaration, the Importer may appeal²³ to the Regional Appeal Committee chaired by the Regional Director, RRCO;</p> <p>2.10.11. The Importer/CHA, Bhutan pays the assessed duty and taxes to the RRCO</p> <p>2.10.12. The Importer/CHA, Bhutan presents the receipt of payment of duty and tax to the Duty Officer for release of the vehicle(s);</p> <p>2.10.13. The RRCO issues a Delivery Challan releasing the LMV; and</p> <p>2.10.14. The CHA, Bhutan/Transporter drive out LMVs from RRCO's compound/warehouse.</p>
Output and criteria to exit the business process	<ul style="list-style-type: none"> ▪ Importer/ CHA, Bhutan completes all customs formalities for driving out vehicle(s) out of the Customs compound.
Average time required to complete the process and/or durations for each involved transaction	Average time: 10 hrs ²⁴ .
Average costs associated with the process	Average: - Nil
No. of copies of each document required	<ul style="list-style-type: none"> - Transport Bill - Dispatch Challan - Commercial Invoice

²³ Making an appeal will inevitably delay the release of import consignment as it may involve intra-departmental consultations.

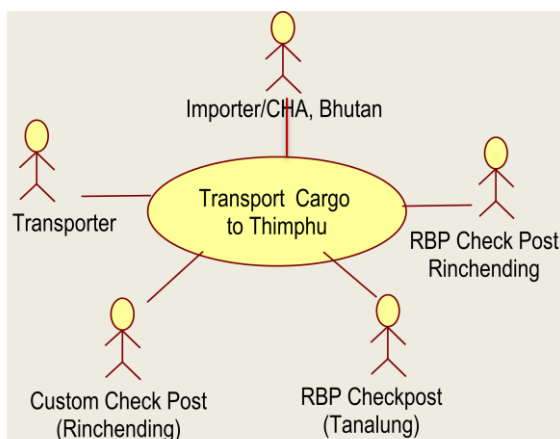
²⁴ As per TRS provisional report, the actual time is 9 hours, 57 minutes.

	<ul style="list-style-type: none"> - Packing List - Certificate of Origin - Bill of Lading - Insurance Policy - Import Licence with Proforma Invoice (2 documents) - Authorization Letter - Letter of Guarantee (already included in 2.8) <p>Total: 11 documents, 11 copies as given above</p>
Mode of document submission	Manual/Electronic

Core Business Process Area 2.11: Transport cargo from Phuentsholing to Thimphu

The 11th business process under the ‘Ship’ process area is “Transport cargo from Phuentsholing to Thimphu,” and it is shown in Figure 4.25.

Figure 4. 25 “Transport Cargo to Thimphu” use case diagram



For the final Core Business Process 12 under ‘Buy,’ on “Transport Cargo to Thimphu,” five actors are involved as shown in the use case diagram in Fig. 4.25. These are:

- Importer or CHA, Bhutan;
 - Transporter;
 - Customs Check Post, Rinchending;
 - Royal Bhutan Check Post, Rinchending;
- and
- Royal Bhutan Check Post, Tanalung.

Figure 4. 26 “Transport cargo to Thimphu” activity diagram

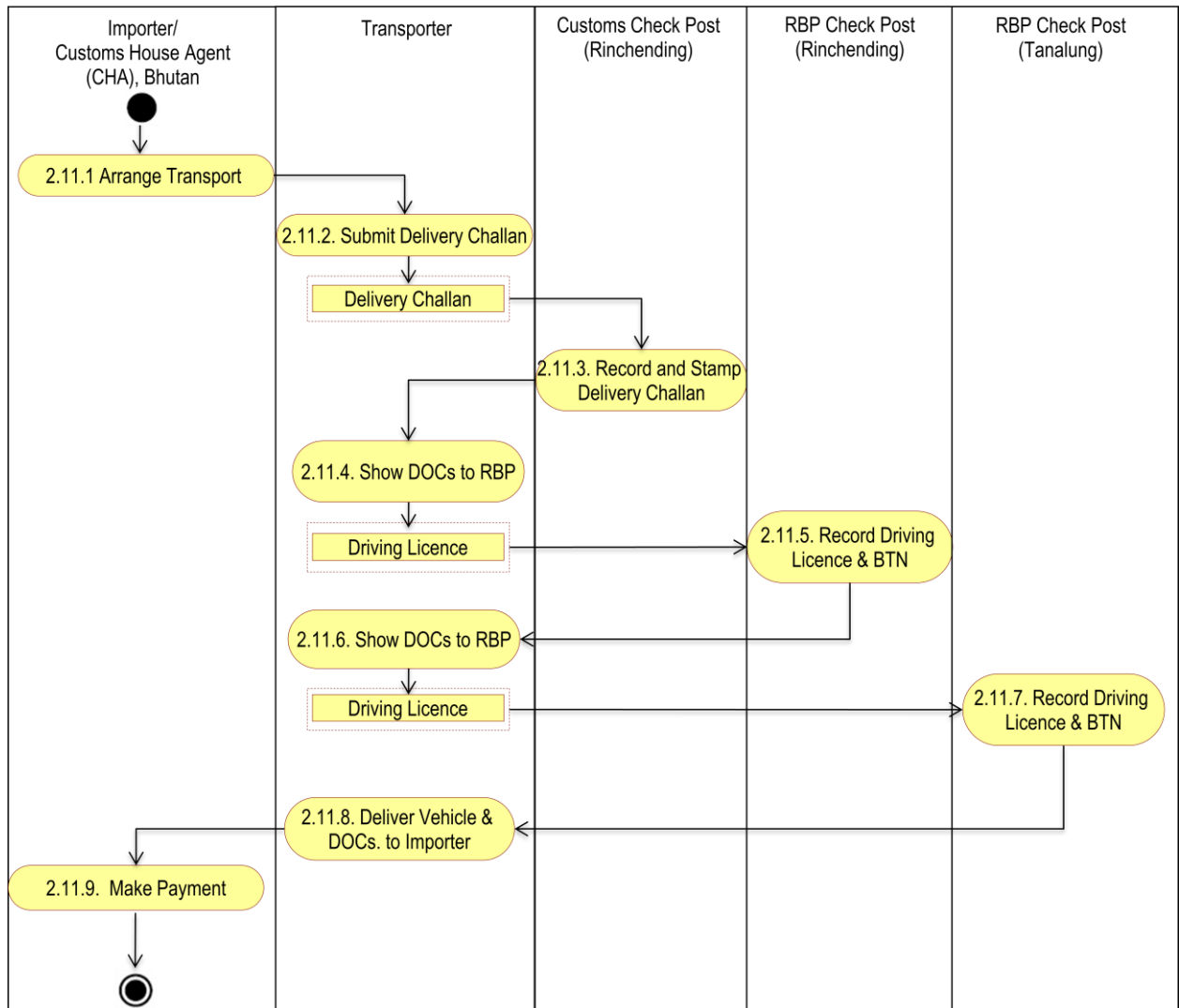


Table 4. 12 “Transport cargo to Thimphu” process description

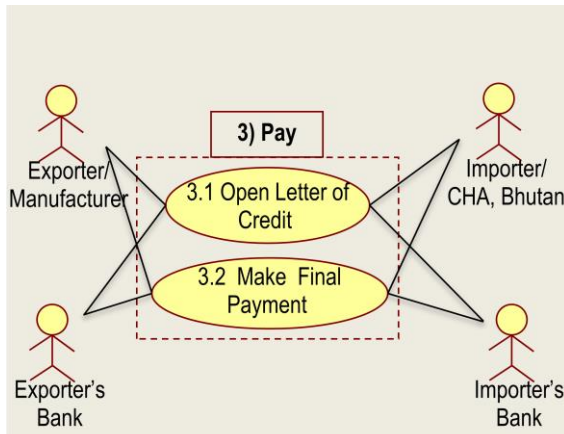
The name of a process area which this particular business process belongs to	1. Ship
The name of a business process	2.11. Transport Cargo to Thimphu
Related rules and regulations	<ul style="list-style-type: none"> ▪ Sales Tax, Customs & Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules (2002) on Bhutan Sales Tax, Customs and Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules and Procedures for Import from Third Countries, 2002 ▪ Road Safety and Transport Act 1999
The name of process participants	<ul style="list-style-type: none"> ▪ Importer/CHA, Bhutan ▪ Transporter (driver) to drive the LMV from Phuentsholing to Thimphu, Bhutan; ▪ Customs Check Post, Rinchending; ▪ Royal Bhutan Police Check Post, Rinchending; and

	<ul style="list-style-type: none"> ▪ Royal Bhutan Police Check Post, Tanalung, Chhukha.
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> ▪ Payment of duty and taxes to RRCO Phuentsholing; and ▪ Receipt of Dispatch Delivery Challan from RRCO, Phuentsholing.
Procedures and associated documentary requirements to complete the process	<p>2.11.1. The Importer/CHA, Bhutan arranges a driver to drive the LMV to Thimphu, Bhutan;</p> <p>2.11.2. The driver presents the Delivery Challan issues by RRCO, Phuentsholing to the Customs Check Post, Rinchending;</p> <p>2.11.3. The Customs Check Post, Rinchending record and stamps the Delivery Challan issued by RRCO, Phuentsholing and returns it to the driver;</p> <p>2.11.4. The driver reports to the RBP Check Post, Rinchending;</p> <p>2.11.5. RBP Check Post, Rinchending enters the vehicle Bhutan Temporary Number (BTN) on its register on movement of vehicles towards Thimphu;</p> <p>2.11.6. The driver reports to the RBP Check Post at Tanalung;²⁵</p> <p>2.11.7. The RBP Check Post, Tanalung for recording the BTN on its register for movement of vehicles towards Thimphu;</p> <p>2.11.8. The driver completes his journey to Thimphu and delivers the vehicle to the Importer; and</p> <p>2.11.9. The Importer/CHA, Bhutan makes payment to the driver for his services if payment has not been made in advance.</p>
Output and criteria to exit the business process	<ul style="list-style-type: none"> ▪ Delivery of imported LMV to the Importer in Thimphu
Average time required to complete the process and/or durations for each involved transaction	Average time: 6 hours
Average costs associated with the process	<p>Average:</p> <ul style="list-style-type: none"> - CHA, Bhutan charge Nu. 2,500.00 - Fuel Nu. 1,500.00 - Delivery charge Nu. 2,000.00 - Total Nu. 6,000.00 = \$92.30
No. of copies of each document required	<ul style="list-style-type: none"> - Delivery Challan: 1 - Import Declaration: 1 <p>Total 2 documents, 2 copies</p>
Mode of document submission	Manual

²⁵ This is another RBP Check Post in inland between Phuentsholing and Thimphu.

Process Area 3: Pay

Figure 4. 27 Use case diagram of core business processes in “Pay” process area

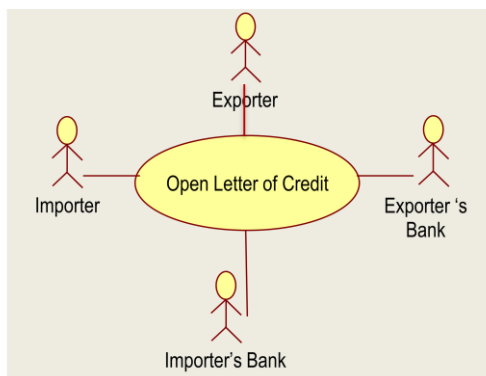


The last business process area 3: ‘Pay’ has two business processes - *Opening a Letter of Credit* and *Making Final Payment by the Importer* for the import of LMVs from Republic of Korea via Kolkata. Once the LC is opened by the Importer and information conveyed to the Manufacturer/Exporter through the latter’s bank, the import order is manufactured. The four actors involved in the process are shown in Fig. 4.27.

Core Business Process Area 3.1. Open Letter of Credit

The first core business process under the ‘Pay’ process area is “Open Letter of Credit,” and it is shown in Figure 4.28

Figure 4. 28 “Open Letter of Credit” use case diagram



As shown in the use case diagram in Figure 4.28, the fulfilment of core business process “Open Letter of Credit” needs four participants as follows:

- Importer
- Exporter
- Importer’s Bank
- Exporter’s Bank

Figure 4. 29 “Open Letter of Credit” use case diagram

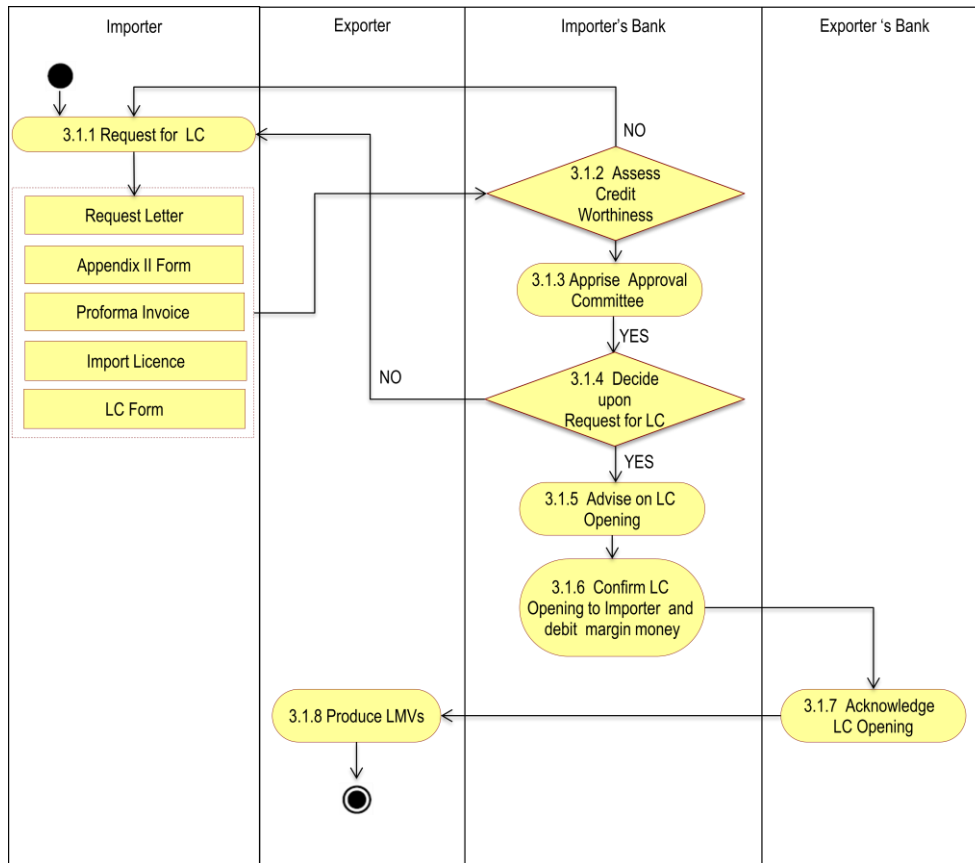


Table 4. 13 “Open Letter of Credit” process description

The name of a process area which this particular business process belongs to	3. Pay
The name of a business process	3.1. Open Letter of Credit (LC)
Related rules and regulations	<ul style="list-style-type: none"> ▪ Sales Tax, Customs & Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules (2002) on Sales Tax, Customs & Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules and Procedures for Import from Third Countries, 2002 ▪ Uniform Customs and Practice (UCP 600) for Documentary Credits, International Chamber of Commerce, 2007
The name of process participants	<ul style="list-style-type: none"> ▪ Importer ▪ Manufacturer/Exporter ▪ Importer’s Bank ▪ Exporter’s Bank
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> ▪ Submit Import Licence ▪ Produce Proforma Invoice
Procedures and associated documentary requirements to complete	3.1.1. The Importer requests his/her Bank for opening of LC by submitting Request Letter, Appendix II Application for Credit, Import Licence (Bank Copy), Completed LC Form and Proforma

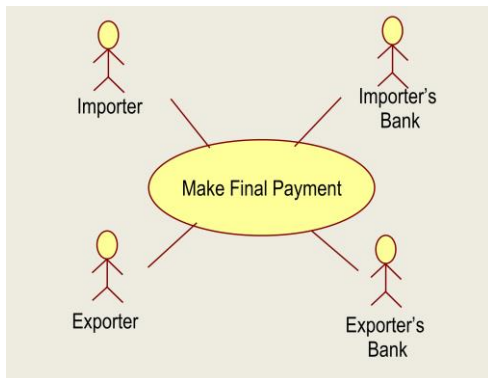
the process	<p>Invoice;</p> <p>3.1.2. The Importer's Bank assesses the credit worthiness of the applicant;</p> <p>3.1.3. The Importer's Bank apprises its Approval Committee;</p> <p>3.1.4. The Approval Committee decides upon the request;</p> <p>3.1.5. If approved, the Importer's Bank advises the Manufacturer/Exporter's Bank on opening of the LC through SWIFT for advising the Manufacturer/Importer</p> <p>3.1.6. The Importer's Bank informs the Importer regarding opening of the LC and debit of margin money equivalent to 25% of Proforma Invoice value;</p> <p>3.1.7. The Exporter's Bank acknowledges the opening of the LC to the Exporter and the Importer's Bank; and</p> <p>3.1.8. The Exporter arranges the production of the ordered vehicles.</p>
Output and criteria to exit the business process	<ul style="list-style-type: none"> ▪ Open the Letter of Credit
Average time required to complete the process and/or durations for each involved transaction	Average time: 1-4 days (average 2.5 days)
Average costs associated with the process	<p>-LC opening commission²⁶ – 0.15% of the LC amount or minimum Nu.250.00 = \$29.80 (on C&F value of \$19,870.00 for Kia Sorrento)</p> <p>- Communication commission – Nu. 700.00 = \$10.75</p> <p>- Commitment commission – 0.75% on actual number of days up to the validity of the credit minimum Nu.250 = \$96.10</p> <p>Total \$136.60</p>
No. of copies of each document required	<ul style="list-style-type: none"> - Request Letter to Bank - Appendix II Application for Credit - Import Licence (Bank Copy) - LC Form - Proforma Invoice <p>Total: 5 copies as below</p>
Mode of documents submission	Both electronic and manual

Core Business Process area 3.2 Make Final Payment

“Make Final Payment” is the second and the last core business area in the third and final ‘Pay’ process, and it is depicted below in Figure 4.30.

²⁶ There are two types of LCs, ‘At Sight’ or ‘Usance.’ The latter has fixed duration while the former is open. The Importers normally opt for the first one as they are uncertain of the exact period of completion of their trade contract, and it is also cheaper than the latter.

Figure 4. 30 “Make Final Payment” use case diagram



The use case diagram in Figure 4.30 shows four participants in the completion of the core business process “Make Final Payment.” They are:

- Importer
- Exporter
- Importer’s Bank
- Exporter’s Bank

Figure 4. 31 “Make Final Payment” activity diagram

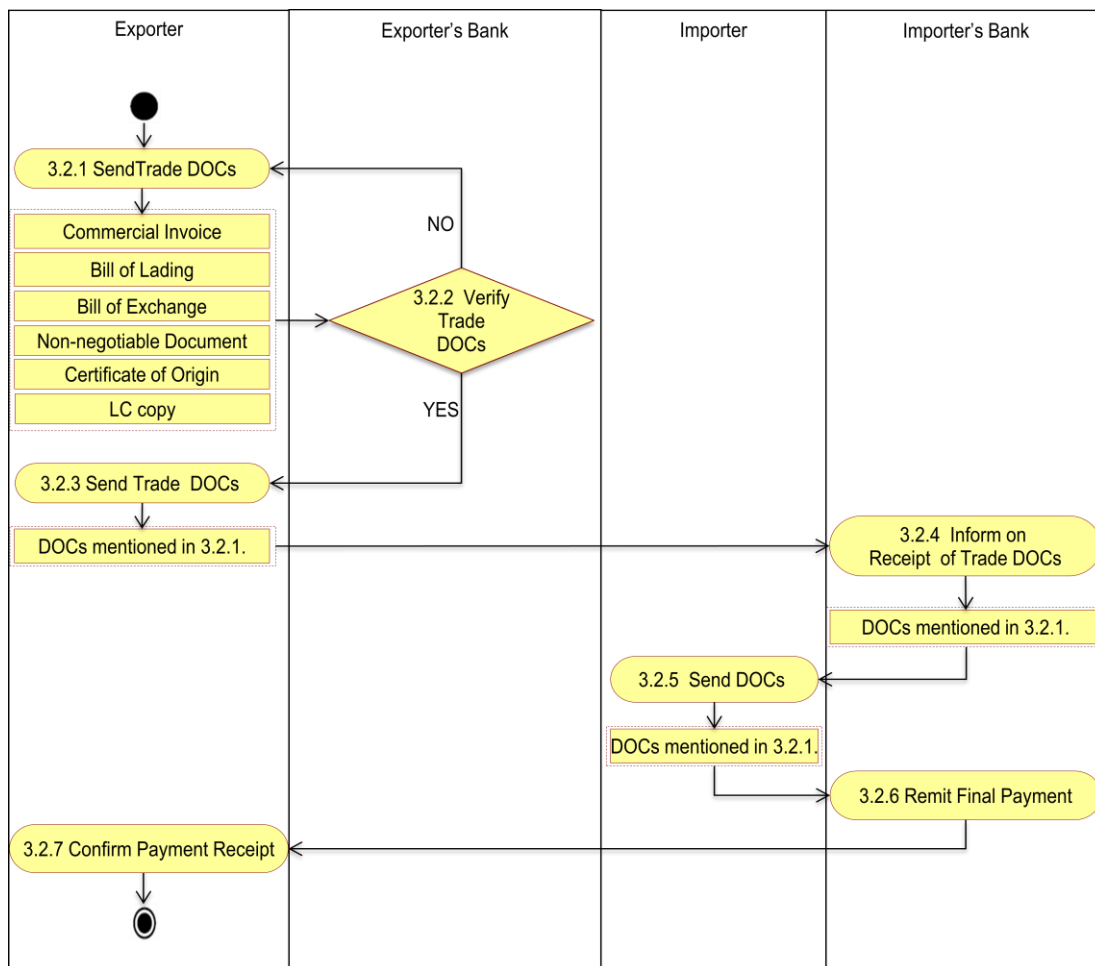


Table 4. 14 “Make final payment” process description

The name of a process area which this particular business process belongs to	3. Pay
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The name of a business process	3.2. Make final payment
Related rules and regulations	<ul style="list-style-type: none"> ▪ Sales Tax, Customs & Excise Act of the Kingdom of Bhutan, 2000 ▪ Rules (2002) on Bhutan Sales Tax, Customs and Excise of the Kingdom of Bhutan, 2002 ▪ Rules and Procedures for Import from Third Countries, 2002 ▪ Uniform Customs and Practice (UCP 600) for Documentary Credits, International Chamber of Commerce, 2007
The name of process participants	<ul style="list-style-type: none"> ▪ Importer ▪ Manufacturer/Exporter ▪ Importer's Bank ▪ Exporter's Bank
Input and criteria to enter/begin the business process	<ul style="list-style-type: none"> ▪ Delivery of import cargo to Importer
Procedures and associated documentary requirements to complete the process	<p>3.2.1. The Manufacturer/Exporter sends the Shipping Bill and other documents to his/her Bank by mail or courier;</p> <p>3.2.2. The Manufacturer/Exporter's Bank verifies the documents;</p> <p>3.2.3. The Manufacturer/Exporter's Bank send the documents to the Importer's Bank;</p> <p>3.2.4. The Importer's Bank confirms receipt of the documents;</p> <p>3.2.5. The Importer's Bank sends the documents to the Importer;</p> <p>3.2.6. The Importer's Bank remits final payment to the Manufacturer/Exporter's Bank; and</p> <p>3.2.7. The Manufacturer/Exporter's Bank informs the Exporter of receipt of the payment.</p>
Output and criteria to exit the business process	<ul style="list-style-type: none"> ▪ Delivery of imported LMV to the Importer in Thimphu
Average time required to complete the process and/or durations for each involved transaction	Average time: 10 days
Average costs associated with the process	<p>Average:</p> <ul style="list-style-type: none"> - Reimbursement charge \$25.00
No. of copies of each document required	<p>Total: 5 documents, 12 copies as below:</p> <ul style="list-style-type: none"> - Commercial Invoice (4 copies) - Bill of Lading (3 copies) - Certificate of Origin (3 copies) - Bill of Exchange - Non-negotiable Document
Mode of document submission	Electronic /Manual

4.2. Analysis of key indicators

4.2.1. Time for import

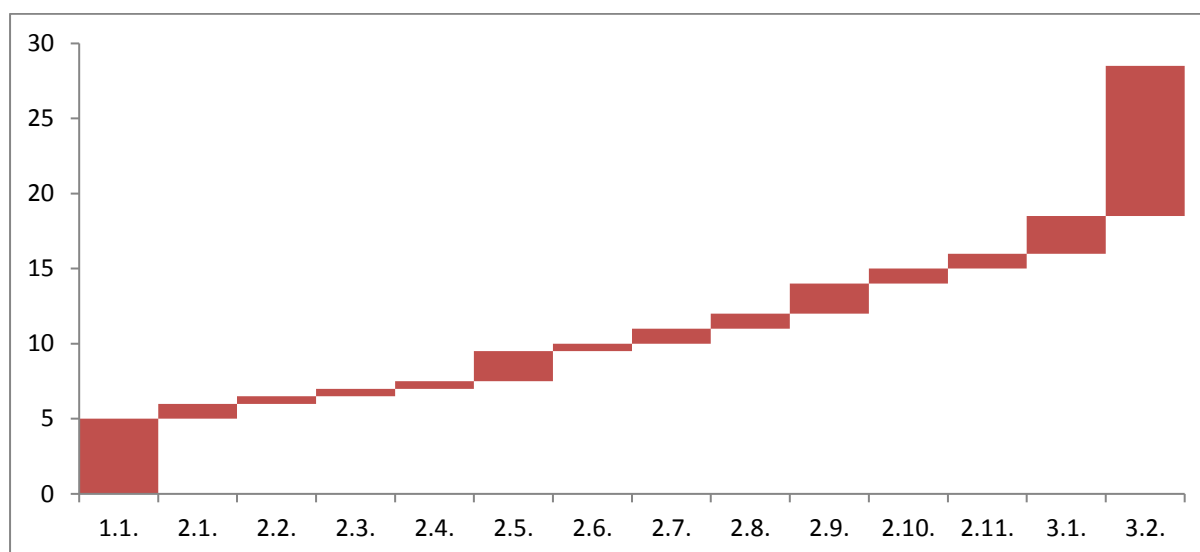
Table 4.15 and Figure 4.32 show the time procedure chart for import of light motor vehicles (LMVs) from Republic of Korea. It takes 28.5 days to complete the import process, which does not include time for the production and shipping (approximately 45 days). In other words, it takes about two and a half to three months for a vehicle to be delivered in Bhutan from the date of placing an import order. The exclusion of one-time procedures (2.1, 2.2 and 2.3) reduces the total time to 26.5 days.

Table 4. 15 Process and time involved in the import of LMVs

Sl. No.	Process	Time (days)	Actors involved: Public/Private	Remarks
1.1.	Conclude Import Contract	5	Private-Private	
2.1.	Obtain Security Clearance	1	Private-Public	One time
2.2.	Obtain Dealership Licence and TPN	0.5	Private-Public	One time fixed cost
2.3.	Obtain Import House Registration Certificate	0.5	Private-Public	One time
2.4.	Obtain Import Licence	0.5	Private-Public	
2.5.	Insure cargo	2	Private-Private	
2.6.	Obtain Letter of Guarantee	0.5	Private-Public	
2.7.	Clear Customs Transit Process at Kolkata	1	Private-Public	
2.8.	Release of import cargo from dock	1	Private-Private	
2.9.	Transport cargo to Phuentsholing	2	Private-Public	According to corridor studies, average journey time can be 4 days.
2.10.	Clear Customs at Phuentsholing	1	Private-Public	10 hrs. as per TRS Study
2.11	Transport cargo from Phuentsholing to Thimphu	1	Private-Private	
3.1.	Open a Letter of Credit	2.5	Private-Private	
3.2.	Make final payment	10	Private-Private	
	Total	28.5		
	Without one-time processes (2.1 to 2.3)	26.5		

Note: if a procedure takes no more than 3 hours, it is treated as half day. If a procedure takes more than 3 hours, it is treated as a full day. The reason for such estimation is to take travel and waiting time for completing the procedure into consideration.

Figure 4. 32 Time for import of LMVs including one-time procedures (in days)



Note: if a procedure takes no more than 3 hours, it is treated as half day. If a procedure takes more than 3 hours, it is treated as a full day. The reason for such estimation is to take travel and waiting time for completing the procedure into consideration.

Figure 4.32 shows that the maximum time of about 10 days or 40% of the total transaction time is spent for making final payment as this entails receiving original dispatch documents from the Manufacturer/Exporter by mail or courier and processing remittance. Placing and confirming an import order takes about 5 days. The next time-consuming procedure is opening an LC that takes about 2.5 days. Transportation from Kolkata to Phuentsholing takes about 2 days.

4.2.2. Costs for import

Table 4.16 and Figure 4.31 show that it costs about U.S \$1,289, which does not include the applicable duty and taxes that the Importer has to pay in Bhutan, for delivering a vehicle typically at a price of \$19,870. This represents 6.5% of the total price of the vehicle. If the costs for one-time procedures (2.1, 2.2. and 2.3) are excluded, the total costs amounted to \$1,135.

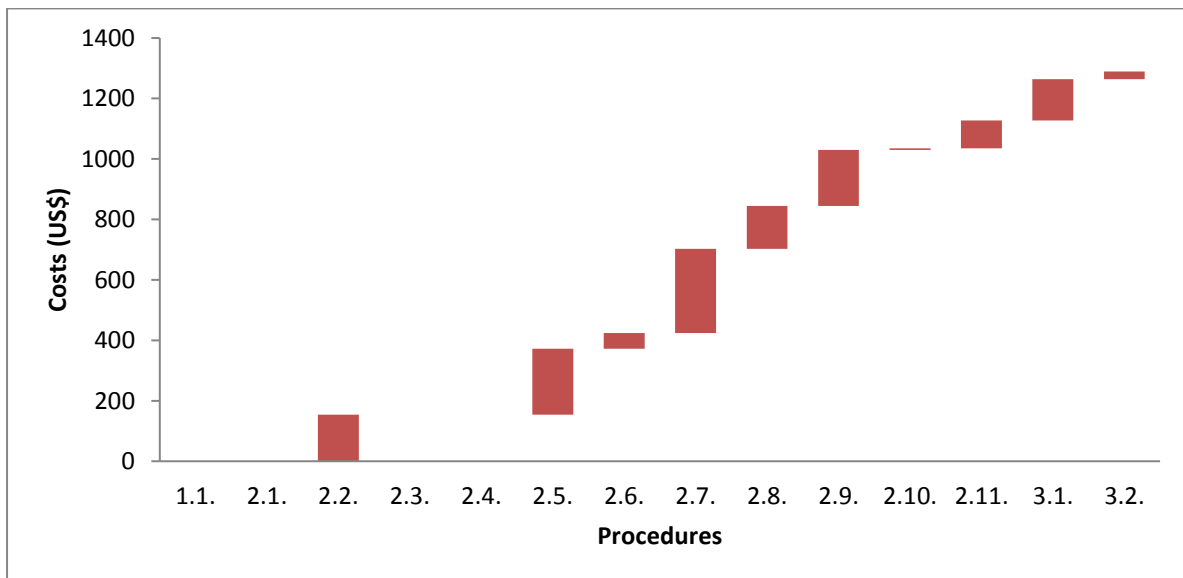
Table 4. 16 Cost of import of LMVs

Sl. No.	Process	Cost (Nu.)	Cost (U.S \$)	Remarks
1.1.	Conclude Import Contract		-	
2.1.	Obtain Security Clearance		-	One time
2.2.	Obtain Dealership Licence and TPN	10,000.00	154	One time fixed cost
2.3.	Obtain Import House Registration Certificate	-	-	One time
2.4.	Obtain an Import Licence	-	-	
2.5.	Insure cargo	14,202.50	219	

2.6.	Obtain Letter of Guarantee	3,376.00	52	
2.7.	Clear Customs Transit Process at Kolkata	18,082.85	278	
2.8.	Release of import cargo from dock	9,217.00	142	
2.9.	Transport cargo to Phuentsholing	12,100.00	186	Driving time for LMV
2.10.	Clear Customs at Phuentsholing	300.00	5	
2.11	Transport cargo to Thimphu	6,000.00	92	Nu. 2,500.00 or \$38.45 is CHA, Bhutan charge
3.1.	Open a Letter of Credit	8,882.25	137	
3.2.	Make final payment	1,625.00	25	
	Total	83,785.60	1,289	
	Without one-time processes (2.1 to 2.3)	73,785.60	1,135	

Note: Exchange rate: 1 U.S \$ = Nu. 65.00

Figure 4.33 Costs for import of LMVs including one-time procedures (US\$)



Out of the total transaction cost, 33% are attributed to transit clearance at Kolkata and 14% by transportation to Phuentsholing. In other words, almost half of the total cost incurred for transport and transit in India²⁷. Costs for insurance are \$218 or 17% of total trade costs.

²⁷ When the actual transportation cost of \$54 to Thimphu is added to the transportation cost of \$186.15 from Kolkata to Phuentsholing, the total transportation cost increases to \$240 or about 18.6% of the total cost

4.2.3. Number of procedures for import

As shown in Table 4.17, the number of procedures for import is 14. When one-time procedures 2.1, 2.2 and 2.3 are excluded, the total number of procedures is reduced to 11.

Table 4. 17 Documents and copies needed for import of LMVs

Sl. No.	Process to be completed	Mode of Documents Submission	Documents Needed	Copies Needed	Documents Origin - Public or Private
1.1.	Place Import Order	Electronic	Proforma Invoice	1	Private
2.1.	Obtain Security Clearance	Electronic	Application Form (Online)	1	Public
2.2.	Obtain Dealership Licence & TPN	Electronic/ Manual	Application Form	1	Public
			Security Clearance	1	Public
			Recommendation from DoT	1	Public
			Application for TPN (online)	1	Public
2.3.	Obtain Import House Registration Certificate	Electronic/ Manual	Dealership Licence	1	Public
			Application for IHR	1	Public
			CID copy	1	Public
2.4.	Obtain Import Licence	Electronic/ Manual	Application Form	3	Public
			Proforma Invoice	5	Private
2.5.	Insure cargo	Manual	Commercial Invoice	1	Private
			Packing List	1	Private
			VIN packing list	1	Private
			Bill of Lading	1	Private
2.6.	Obtain Letter of Guarantee (LoG)	Electronic/ Manual	Application Letter for LoG	1	Private
			Bill of Lading	1	Private
			Commercial Invoice	1	Private
			Packing List	1	Private
			Certificate of Origin	1	Private
			Import Licence	1	Public
			Insurance Policy	1	Private
			Authorization Letter	1	Private
2.7	Clear Customs Transit Process at Kolkata Port	Manual	Bill of Lading	1	Private
			Commercial Invoice	1	Private
			Packing List	1	Private
			VIN Packing List	1	Private
			Import Licence	1	Public
			Certificate of Origin	1	Private
			Letter of Guarantee	1	Public
			Authorization Letter	1	Private
			Insurance Policy	1	Private
2.8.	Release of import cargo from the dock	Electronic/ Manual	Bill of Lading	1	Private
			Commercial Invoice	1	Private

			Packing List	1	Private
			VIN Packing List	1	Private
			Import Licence	1	Public
			Certificate of Origin	1	Public
			Authorization Letter	1	Private
			Insurance Policy	1	Private
			Letter of Guarantee	5	Public
			Jetty Challan	1	Private
			Entry Pass	1	Private
2.9.	Transport to Phuentsholing	Manual	Transport Bill	1	Private
			Letter of Guarantee	Counted	Public
			Insurance Policy	1	Private
			Dispatch Challan	1	Public
			Credit Voucher	1	Private
2.10.	Customs clearance at Phuentsholing	Manual	Transport Bill	1	Private
			Insurance Policy	1	Private
			Dispatch Challan	1	Public
			Commercial Invoice	1	Private
			Packing List	1	Private
			Certificate of Origin	1	Private
			Bill of Lading	1	Private
			Import Licence with Performa Invoice	2	Public
			Letter of Guarantee	Counted	Public
			Authorization Letter	1	Public
2.11	Transport cargo from Phuentsholing to Thimphu	Manual	Delivery Challan	1	Public
			Import Declaration	1	Public
3.1	Open a Letter of Credit (LC)	Electronic/ Manual	Request Letter	1	Private
			Appendix II Form on Request for Foreign Exchange	1	Public
			LC Form	1	Private
			Import Licence (Bank Copy)	1	Public
			Proforma Invoice	1	Private
3.2	Make final payment	Electronic/ Manual	Commercial Invoice	4	Private
			Bill of Lading	3	Private
			Certificate of Origin	3	Public
			Bill of Exchange	1	Private
			Non-negotiable Document	1	Private
Total			documents: 31	Copies: 85	Public: 31 Private: 54 Total: docs. 85
Excluding one-time Procedures (2.1, 2.2 and 2.3)			Documents: 23	Copies: 77	

4.2.4. Number of documents for import

Table 4.17 shows the documents and their copies needed for each procedure. A total of 31 documents (application forms, application letters, permits, etc.) are needed to complete the 14

procedures. Among these documents, 12 documents need extra copies ranging from 1 to 9 copies. All in all, 85 copies of these documents are required. For an established Importer, 11 procedures are applicable, and the number of documents is reduced from 31 to 23 and the copies from 85 to 77.

It is important to note that about two-thirds of the copies (53) needed are documents exchanged among the private sector, and 31 copies needed are the documents submitted from private to public sectors. Nevertheless, the large number of copies of documents highlights the needs for reducing the number of copies of the documents and using the electronic means of exchange to reduce the need for hard copies.

Table 4.17 also indicates the manual or electronic mode of submission of the documents. Out of the 14 processes, two modes of submission of documents are electronic, seven are manual and five are a mix of the two.

4.3. Diagnosis and recommendations for improvement

Analysis of key procedures and detailed recommendations according to BPA is shown in Table 4.18. Analysis of the bottlenecks is mainly based on the classification of *Procedural Requirements, Data and Documentary Requirements, Transparency/ Predictability*. Recommendations according to analysis of bottlenecks are provided accordingly.

Notwithstanding the difference of bottlenecks and recommendations associated with specific procedures, some bottlenecks are prominent. For instance, several documents have to be submitted manually and repeatedly, which may cause delays, especially when there are errors for filling in the documents. Common solutions to remove bottlenecks include increased coordination of trade facilitation issues under NTTF, greater transparency through use of Internet Websites, clearer guidelines, automation, national single window, reduction in procedures and documents, data harmonization, simplification of procedures and standardization of documents both at the national and sub-regional level.

Table 4. 18 Diagnosis and Recommendations - Import of Light Motor Vehicles

Core Business Process	Observations			Recommendations
	Procedural Requirements	Data and Documentary Requirements	Transparency/Predictability	
BUY				
1.1. Place Import Order	This is a simple procedure wherein the Importer places an import order for specified number and types of vehicles. No negotiation is involved as the terms of export are already fixed by the Manufacturer/Exporter.	This is normally translated into the opening of an LC account by the Importer after receiving Proforma Invoice from the Manufacturer/Exporter where all conditions are stipulated including payment arrangements.	The process is largely transparent and predictable although all the information required may not be available in the Internet. It normally takes about one month for production of the ordered vehicles and two to three weeks to reach the vehicles to Kolkata after shipping.	
SHIP				
2.1. Obtain Security Clearance	This procedure is also simple if the applicant does not have any problem with census. An applicant with such a problem has to resolve the issue with the Department of Law & Order and Department of Civil Registration. This can consume a lot of time.	The owner/proprietor of a Vehicle Import Dealer applies for Security Clearance online by entering the details including the Citizenship Identity Card No. in the Form available in the Royal Bhutan Police (RBP) website. The Clearance is given within 24 hours if the applicant has no adverse record.	The process is well known and transparent.	
2.2. Obtain Dealership Licence	The obtaining of a licence per se is quite fast as it can be obtained in an hour or so. However, other procedures may take time.	Getting the supporting documents like a letter awarding the dealership and concluding a contract thereof between the principal company (manufacturer/exporter) and the Importer may take time as it involves negotiations. Further, the Government policy on import of LMVs from third countries may change given the need to	While the process is mostly transparent, there is no predictability on account of the time taken to negotiate the dealership with the principal company abroad, and obtaining a recommendation from the Department of Trade, if the policy changes. Further, conditions for obtaining different licences are understandably different and are scattered, dated or not fully transparent.	The recommendations are general in nature although these apply to obtaining Dealership Licence for import of LMVs, especially as there is no proper guideline and regulation for such imports. For instance, the administrative instruction No. DT/IMP-9.2/2006 dated 11 May 2006 requires all importers to obtain a verification

		provide foreign exchange to the Importer and depress demand for imports for environmental reasons. For instance, imports were banned between 2011 and 2013 for the above reasons.	Additionally, there is no legal framework for trade and as such the proposed Trade Act should be enacted as soon as possible.	report after Customs clearance for processing further imports. However, this is not applicable to import of LMVS, and the directive is silent on it. 1. Review and update the information and documents needed for issuing various types of licences; 2. Consolidate guidelines, rules and regulations for issuing various categories of licences with a view to making them clearer and more transparent; and 3. Enact the proposed Trade Act to provided legal basis for trading
2.3. Obtain Import House Registration (IHR) Certificate	The procedure for obtaining IHR Certificate is also simple and known among the Importers. It can be obtained within half an hour in principle. Further, it is a one-time procedure that does not require annual renewal like a Dealership licence.	For a motor vehicle Import Dealer, the need for an IHR Certificate may be justifiable as it acts as a wholesaler/distributor of imported LMVs. Whether there is a need for processing it separately can be reviewed as the relevant information is contained in the Licence itself.	The procedure is quite well known but its transparency could be improved by hosting the available guidelines for IHR in the Department of Trade on the MoEA website. The Bhutan Import House Guidelines 2005 are available on the Ministry's Website but it does not have the procedure for getting an IHR Certificate.	This is an additional procedure with little or no value. The Department Trade (DoT) should automatically issue the IHR Certificate on the basis of the Dealership Licence under which all relevant information needed by DoT are given in the Application Form for the Licence.
2.4. Obtain Import Licence	An Import Licence is needed for import at each time although the import cargo can be imported at different times under the same Import Licence.	Any change of the procedure would have to be discussed bilaterally with India. Such a discussion may be useful for simplifying the transit documentation when the two countries can connect their	The procedure is predictable though transparency could be improved by hosting it in the MoEA website. The procedure is available with the Department when asked for.	The DoT should develop the guideline and review the procedure for obtaining Dealership Licence and host it in the MoEA website.

		ICT systems for customs and transit clearances, an area that ADB is supporting under SASEC Trade Facilitation Program.		
2.5. Insure cargo	Marine and road transport insurance are part of the import documents for import of LMVs. There are two options – the first is that the Importer arranges marine and transit insurance, the latter for coverage of transportation by road between Kolkata and Bhutan. In the second option, the Exporter arranges the marine insurance up to Kolkata while the Importer does so for transit from Kolkata to Bhutan.	The procedure is fairly simple wherein the Importer fills out a one-page form each for marine and transit insurance available on website. The Importer, inter alia, has to provide details of the Exporter and of the vehicles to be insured with a limit of 110% of CIF value.	The procedure is transparent and predictable in the case of both Royal Insurance Corporation of Bhutan Ltd., (RICBL) and Bhutan Insurance Ltd. (BIL) as can be seen from the information on their websites www.ricb.com.bt and www.bhutaninsurance.com.bt respectively. The insurance coverage is based on guidelines of the International Chamber of Commerce (ICC). The BIL explains the coverage on its web page while the RICBL does not do so; one has to read from the information given on the application forms. There is room for improving the online information of the service providers.	The Insurance Companies should make the process more transparent by developing the guideline and hosting it on their websites. Consideration should also be given if the premium can be reduced as the insurance comes to 17.7% of the total vehicle cost.
2.6. Obtain Letter of Guarantee (LoG)	The LoG serves the role of a Transit Declaration (TD) for Bhutan (for Nepal, TD is used for clearance and transportation of imports from Kolkata). As the Royal Government of Bhutan under writes all third country imports whether public or private, the system elicits confidence in the transit country and is working smoothly.	The modality of processing the LoG could improve, especially if the Customs and transit process is automated in Bhutan for internal use, and connected with the Indian Customs for clearance and transit purposes in Kolkata. The time to get LoG could hence be reduced. Further, there is a difference in submitting the required documents for obtaining the LoG between LTO, Kolkata	Notwithstanding the observations made under previous heading, a system of electronic submission of documents for obtaining the LoG could make the process faster. Further, the guidelines could be developed for obtaining the LoG and made available in the Department of Revenue & Customs Office Website. In addition, the need for supporting documents for obtaining the LoG could be standardized between Kolkata and Phuentsholing with	<ol style="list-style-type: none"> 1. The Customs automation process proposed to be developed under RAMIS should be expedited. 2. The new system should be linked to the Indian Customs system with necessary modifications to facilitate electronic document exchange for customs and transit clearance at Kolkata. If the development of the new

		and RRCO, Phuentsholing. Seven documents are needed in Kolkata while only four are required in Phuentsholing.	a view to reducing the number. The Import Licence and Commercial Invoice should be the two main supporting documents.	system takes time, even the existing system may be considered for the link with modifications. The issue is already for discussion under the SASEC Customs Committee on (SCS). 3. Within the long term objective of moving towards a national single window (NSW), DRC and other relevant organizations should harmonize trade information and standardize documents to international standards. This could be one of the important items of work for the NTTFC.
2.7. Clear Customs and Transit Process in Kolkata	As the procedures are within the domain of the shipping line/agent, KPT and Indian Customs, Kolkata, the Bhutanese Government can do little unless pertinent issues are discussed bilaterally in the context of the Agreement on Trade, Commerce and Transit.	According to the Indian CHAs and Transporters in Kolkata, it takes at least three days to clear the import cargo, one day arranging documents from the shipping line/agent and LTO and two days getting the cargo cleared from the Port and Indian Customs. It is not uncommon to take more than three days when labour union problems affect port operations. Other problems include late filing of documents by CHA, India due to late receipt of the originals from the Importer/CHA, Bhutan, tracking of cargo at the dock	Here again the procedures can be made more transparent if these could be developed into a single guideline document and hosted in the Kolkata Port, Indian Customs and Bhutan Customs websites.	LTO, Kolkata should initiate the development of a comprehensive guideline for Customs and transit clearance at Kolkata in cooperation with the Indian Customs, the Port authorities, CFAs and Transporters and hosted in the DRC webpage. Request should also be made to host it in the Indian Customs and Kolkata Port websites if possible.

		<p>and discrepancies in documents. Hence, there should be room for improvement with better coordination among LTO, shipping line/agent, CHA, India and Transporter, and use of ICT for exchange of documents that are almost all paper-based at present. Further, the transit clearance system for Bhutan at Kolkata ports has to be integrated into the Indian EDI system, ICEGATE, like it has been done for Nepal recently. Infrastructure like parking, adequate space for stacking and storing cargo and equipment at the dock are essential components for expediting port operations and clearance system despite positive changes seen with the Port operations being leased out to a Singapore company.</p>		
2.8. Release of LMV from the dock	Same as above	Same as above	Same as above	As above
2.9. Transport to Phuentsholing	<p>Three categories of documents are needed for transit – first, those documents like Commercial Invoice, Bill of Lading, Packing List, etc. originating from the Exporter, second, those issued by the Shipping Line/Agent, Kolkata Port and Indian Customs like Delivery Order, and the third</p>	<p>It may not be possible to reduce the documents in use at present unless done so through bilateral agreement, but certainly there is room for better coordination and exchange of documents through greater use of ICT among the stakeholders, especially linking the documentation system to</p>	<p>Greater transparency is possible through coordination among the stakeholders in Kolkata, and preparing and hosting the Guidelines for transit clearance in DRC Website.</p>	<p>As above</p> <p>In addition, adequate parking space is required in the Land Customs Station, Jaigaon, India.</p> <p>Further, the LCS should be linked to ICEGATE so that Transit documents can be exchanged electronically</p>

	category includes LoG and Transport Challan issued by LTO, Kolkata. These documents are reflected in the transit arrangement agreed between Bhutan and India, and change can be possible only through bilateral discussion on, for example, exchange of documents electronically and monitoring of transport in transit electronically.	ICEGATE. Meanwhile, as suggested earlier, clear procedures for transit clearance could be developed by DRC/LTO, Kolkata and hosted on its website.		with Indian Customs, Kolkata. The road infrastructure between Jaigaon and Kolkata needs continuous improvement. Hopefully, the ongoing work on widening the road when completed would reduce the travel time.
2.10. Clear Customs at Phuentsholing	The TRS study has found that for dutiable and taxable imports, it takes about 10 hours ²⁸ on average to clear imports from third countries from the time of registering the truck arrival and release of import cargo from the Customs compound. This is even longer than the time of about 6 hrs given by importers for the BPA study. The delays are due to physical inspection, although that this may be a sample inspection only, assessment and completing all documentation formalities.	Obviously, there would be room for shortening the time of clearance if the WCO approved tools like green channel, risk assessment and authorized operators are applied. De-congestion of the Customs Compound and use of x-ray machines could further expedite the process. In so far as the documents are concerned, greater use of ICT within the RRCO and between RRCO, Customs House Agents and Transporters would make the process more efficient.	There is great deal of information on the DRC Website http://www.drc.gov.bt but instructions or guidelines for traders for completing customs formalities are surprisingly absent. The traders would benefit if such guidelines are developed and posted on the website. Moreover, much of the clearance work is done manually. This needs to be elevated to using electronic means as much as possible.	1. DRC should develop comprehensive guidelines for Customs clearance and host it in its website. 2. Under the auspices of NTTFC, electronic exchange of documents at the national level should be promoted on an urgent basis. 3. Infrastructure for Customs should be improved with greater parking and warehouse spaces and use of modern equipment.
2.11. Transport LMVs from Phuentsholing to Thimphu	The procedure is simple.	The documents needed are the Delivery Challan issued by RRCO, Phuentsholing and the Driving Licence of the driver.	The procedure is well known though it is not available in any website or in written form.	The by-pass road that has been under construction for some time in Chhukha should be expedited (expected completion in June 2017) so as to reduce travel time between

²⁸ The TRS also finds that additional 6 hours are taken in waiting for action for each completed step in the Customs clearance process.

				Thimphu and Phuentsholing.
PAY				
3.1. Open a Letter of Credit (LC) Account	The procedure is simple. The most important document needed is the Proforma Invoice that is easily obtained from the Manufacturer/Exporter electronically. The process takes one to four days to open an LC, or an average of two and half days.	The credit worthiness of the Importer is also crucial for the banks to open the LC Account. For dealers which are actively operating, this too is not much of an issue for the present, although an excessive use of foreign exchange for imports could lead the Government to introduce restrictions.	The procedure is known and quite transparent.	The banks should reduce the time for opening an LC Account as it takes between 1-4 days at present.
3.2. Make final payment	The process is simple. Upon receiving the original shipping documents from the Exporter's Bank, the Importer's Bank processes remittance.	The remittance is pretty fast once the documentation procedures are completed. Delays in receipt of documents and confirmation on the receipt of import cargo can delay payments. About two weeks seems to be the average time for remitting the final payment.	The process is known and quite transparent.	Similarly, Banks should explore the possibility of reducing the time for remitting final payments under the LC.

Chapter 5. Summary and Conclusions

The study analyses the business process of importing light motor vehicles (LMVs) from Republic of Korea to Bhutan. In doing so, it examines the current situation in detail and reviews bottlenecks in the business process. It also makes some recommendations that are summarized below.

5.1. Proposed interventions to improve trade facilitation

The recommendations are largely derived from the analysis in Chapter four and particularly from Table 4.18. The recommendations are categorized for implementation in the short-run and long-run; the classification is certainly not a rock science, and is made according to the estimated time required for implementation and associated level of difficulty.

It is important to note that the recommendations in this report are tentative. Follow-up activities and plans, in most cases, should be subject to more detailed feasibility studies and availability of resources.

5.1.1 Short-term interventions

- **Electronic filing and exchange of documents:** The study clearly shows that although some progress is being made to use electronic means of documents processing, a large majority of documents have to be processed manually. Such practice applies within a Government organization, between Government organization, between traders and Government organizations and within the business community itself. The modality is the same when it comes to processing trade and transit documents with Bhutan's trading partners in the SASEC sub-region. Hence, a systematic move towards electronic filing and exchange of documents, not only within Bhutan but also among the exporting and transit countries is necessary. A step-by-step approach should be followed starting with the simple processes like approvals, endorsements, issuance of trade documents. A start has been made by the Ministry of Economic Affairs which the other organizations like DRC should follow especially at its regional offices. The determination to change the manual system should be spearheaded by the NTTFC in which major organizations involved in trade facilitation are represented.
- **Harmonization of data and information and Standardization of documents:** In order to reduce the burden for traders of submitting and repeating the same information to different

organizations for processing approvals, an exercise should be undertaken to harmonize the data and information required by each organization and for each purpose with a view to standardizing the information and sharing the information through better coordination. The same documents are known with different names (e.g, Transport Bill and Truck Challan, Office Order and Letter of Authorization, etc.) that confuse the new entrant in the field of trade facilitation. Such forms should be standardized. In the long run, standardized and internationally accepted trade documents (UN/EDIFACT and WCO Data Model) should be used in the country for international trade.

- **Removal of redundant or repetitive procedures and documents:** Some procedures like obtaining Import House Registration Certificate can either be streamlined or completely removed.

- **Enhance availability and accuracy of information on rules, regulations and guidelines:** Each organization like DoT, DRC and insurance companies has some information for traders on its Websites. Such information needs to be periodically updated, consolidated and made more user-friendly. Importers need comprehensive information for fulfilling procedures like obtaining Dealership and Import Licences, registration for Import House, transit facilitation in Kolkata, Customs clearance at RRCO, Phuentsholing and obtaining marine and transit insurance. The following action should be undertaken as with relatively small efforts from DoT, DRC including LTO, Kolkata and insurance companies, the benefit to traders would be immense. This would greatly contribute to improving transparency as well:
 - DoT should review existing guidelines, rules and regulations regarding imports, update and consolidate them as needed, and upload on its Website.
 - The enactment of the new Customs Bill 2016 that is in conformance with the Revised Kyoto Protocol offers timely opportunity for the above exercise in DRC.
 - LTO, Kolkata should develop guidelines for transit clearance (for both imports and exports) at the Ports in Kolkata (Kolkata and Haldia) and upload it in DRC's Website.
 - The insurance companies should also develop and upload guidelines for issuing insurance policies for trade.

- **Customs automation:** The ongoing work to develop the automated customs module through RAMIS should be expedited. With this, there should be a facility for Importers to send documents to LTO, Kolkata electronically.

- **Payment remittance:** It takes 1 to 5 days to open a Letter of Credit and up to 10 days to transfer payment from the Bhutanese Importer to the Exporter in Republic of Korea. The main reason seems to be late arrival of documents from the Exporter to the Importer for payment. The banks should examine how the delays can be reduced.

- **More active role of the Private Sector:** BCCI should play a more active role in helping the trading community and partner with the efforts of the Government. BCCI can undertake the following:
 - Develop and host general information on trade processes both at the national and SASEC level on their Websites.
 - Provide information on transport and transit for trade with SASEC countries, particularly in relation to arranging transportation, road conditions and travel requirements, border procedures, port handling and clearance procedures and compliance requirements.

5.1.2. Long-term Interventions

- **Further development of transport and logistics Infrastructure in Phuentsholing:** The Customs clearance for imports at Phuentsholing from countries other than India is still lengthy at 10 hrs (16 hrs if the time between the entry of the truck into and exit from the Customs Compound is taken into account). More parking space and warehouse facilities are needed to reduce congestion in the RRCO compound. The development of a mini-dry port at Phuentsholing, opening a new entry/exit point with India near the Pasakha Industrial Estate along with a Customs Post and construction of the by-pass road at Phuentsholing should substantially ease this situation.

- **Strengthen transport and Transit in India:** The larger problem for Bhutan is at the transit, whether it has to do with the time taken in transportation due partly to poor road conditions or in meeting procedures that are overwhelmingly paper-based. The long distance transportation of over 800 Kms. between Kolkata and Thimphu is slow and arduous where the average speed even for light vehicles could be less than 20 km/h. The roads are still under development. Easing congestion surrounding the Kolkata Port with better traffic flow and parking spaces and within the Port itself. Modernization of Port operations should continue. The study shows that 67% of the import cost is directly attributed to transport and transit

clearance. In addition to the measures to be taken at the national levels, the SASEC Customs Sub-group can bring about tangible difference in making trade flows more efficient at the borders and at port of entry and exit. These issues should be discussed during the meeting of the Customs Officials at the borders and in the SASEC Customs Sub-group itself and pursued at the bilateral levels as well. The major issue in this regard is the improvement of road between Jaigaon and Kolkata and expediting Customs and port documentation, handling and clearance in Kolkata.

- **Implementation of the Trade Information Portal (TIP):** The Department of Trade has carried out a feasibility study for establishment of a TIP with ADB's financial and technical support. The Department should seriously pursue this proposal for implementation as it would help the traders to access information from one single portal.
- **Introduction of National Single Window:** The ultimate goal should be the introduction of a National Single Window (NSW) because such NSW can largely solve the issue that multiple documents are repeatedly submitted.

5.2 Utilization of the Report

The Report can be used for a range of purposes. First, the detailed information on the trade process and procedures can be utilized to publicize trade and transport information. This is especially related to the WTO TFA Article 1 which is focused on publication and availability of information. Information in this report can be used directly in case a Trade Portal is developed which includes description of trade procedures.

Second, the quantitative indicators in this Report enable the policy makers and stakeholders to take better stock of the status of trade and transport facilitation and assess the challenges. For instance, this report shows that costs of some trade procedures may be too high and there is room for reducing such costs.

Third, this Report highlights the key bottlenecks and proposes recommendations to remove the bottlenecks and enhance trade facilitation, which greatly supports evidence-based policy making and reform.

Finally it is important to reiterate that the Report is part of the baseline study of TTFMM in Bhutan and provides "baseline" data for benchmarking in the future. In other words, when similar indicators are collected in the future, the progress or setbacks in trade and transport facilitation can be

analysed, and policies and actions can be adjusted if necessary. Indeed, benchmarking should not be limited to quantitative data. Each procedure recorded and analysed in this report provides a benchmark for examining whether the procedures are simplified or improved. For instance, it will be useful to examine whether changes are made from manual to electronic or online processing for a specific procedure.

Appendix 1. List of participants of workshops and informants for the TTFMM baseline study in Bhutan

A1. Inception Workshop on Trade and Transport Facilitation Performance Monitoring

26-27 November 2013

Bangkok, Thailand

GOVERNMENT OF BANGLADESH

Mr. Sultan MD Iqbal

Member (Customs Intelligence & Audit)
National Board of Revenue, Dhaka

Mr. Nasir Arif Mahmud

Joint Secretary
Ministry of Shipping

Mr. AKM Akhter Hossain

President
Chittagong Customs Clearing & Forwarding
Agents
Association, Agrabad, C/A

Mr. M. Nurul Amin

Deputy Director (CM)
Bangladesh Standard Testing Institute (BSTI)

Mr. AHM Ahsan

Trade Consultant (Deputy Secretary)
Ministry of Commerce

Mr. Afsarul Arifeen

Additional Secretary
The Federation of Bangladesh Chambers of
Commerce and Industry (FBCCI)

GOVERNMENT OF BHUTAN

Mr. Choiten Wangchuk

Director General, Department of Public Accounts
Ministry of Finance

Mr. Sonam Wangchuk

Director, Department of Trade
Ministry of Economic Affairs

Mr. Choyzang Tashi

Director, Department of Revenue and Customs
Ministry of Finance

Mr. Karma Dorji

Executive Director, Bhutan Agriculture and Food
Regulatory Authority (BAFRA)
Ministry of Agriculture and Forests

Mr. Palden Dorjee

General Manager
Forwarders and Clearing Agent

Mr. Sonam Dorji

Business Promotion Officer
Bhutan Chamber of Commerce and Industry

GOVERNMENT OF INDIA

Mr. Devendra Kumar Singh

Additional Director General of Foreign Trade
Directorate General of Foreign Trade
Ministry of Commerce and Industry

Mr. Sunil Kumar Das

Commissioner of Customs
Office of the Commissioner of Customs

Mr. N. Venkatesh

Additional Director General
Systems Directorate

Mr. Prabir De

Senior Fellow
Research and Information System for
Developing Countries (RIS), and
ASEAN-India Centre

GOVERNMENT OF NEPAL

Mr. Navaraj Dhakal

Under Secretary
Ministry of Commerce and Supplies

Mr. Damber Bahadur Karki

Under Secretary
Ministry of Physical Planning and Transport

Mr. Rajan Sharma
President
Nepal Freight Forwarders Association (NEFFA)

Mr. Sarad Bickram Rana
Executive Director
Nepal Intermodal Transport Development Board

**WORLD CUSTOMS ORGANIZATION
ASIA PACIFIC REGIONAL OFFICE
FOR CAPACITY BUILDING (ROCB A/P)**

Mr. Yoshihiro Kosaka
Head
WCO (ROCB A/P)

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sbonu@adb.org

Mr. Lawanya Kumar Dhakal,
Director
Department of Customs

Mr. Parashu Ram Adhikari
Senior Plant Protection Officer
Ministry of Agriculture and Development

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Office of the Secretary General
World Customs Organization

Ms. Pavaran Tanmesin
Director
Krabi Customs House

Mr. Sanghyup Lee
Director
Clearance Facilitation Section
Seoul Main Customs
Republic of Korea

ASIAN DEVELOPMENT BANK (ADB)

Mr. Ronald Antonio Butiong
Principal Regional Cooperation Specialist
SARC, South Asia Regional Department

Mr. Cuong Minh Nguyen
Senior Economist (Regional Cooperation)
SARC, South Asia Regional Department

Ms. Rosalind McKenzie
Regional Cooperation Specialist
SARC, South Asia Regional Department

Ms. Aileen Pangilinan
Associate Programs Officer
SARC, South Asia Regional Department

Mr. Jesusito Tranquilino
Regional Cooperation and Integration Expert
SARC, South Asia Regional Department

Ms. Linel Ann Reyes-Tayag
Operations Assistant
SARC, South Asia Regional Department

Mohammad Ehteshmaul Hoque
National Trade Facilitation Expert-Bangladesh
SARC, South Asia Regional Department

Achyut Bhandari
National Trade Facilitation Expert-Bhutan
SARC, South Asia Regional Department

Shyam Dahal
National Trade Facilitation Expert-Nepal
SARC, South Asia Regional Department

UNESCAP

Mr. Yann Duval
Chief, Trade Facilitation Unit
Trade and Investment Division

Mr. Tengfei Wang
Economic Affairs Officer
Trade Facilitation Unit
Trade and Investment Division

Mr. Fedor Kormilitsyn
Economic Affairs Officer
Transport Division

A2. National Workshop on Trade and Transport Facilitation Monitoring Mechanism *Phuentsholing, Bhutan, 10-14 March 2014*

Mr. Yonten Namgyel
DIRECTOR (Member Secretary of NTFC), DRC,
Thimphu

Mr. Tenzin Norbu
COLLECTOR, Customs & Excise, DRC HQ,
Thimphu

Mr. Phuntsho Wangdi
Joint Collector, PMU-STF Unit, Customs &
Excise, DRC HQ, Thimphu

Mr. Sonam Penjor
Dy. Chief ICT Officer, ICT Division, DRC HQ,
Thimphu

Mr. Karma
Sr. ICT Officer, ICT Division, DRC HQ, Thimphu

Mr. Tshewang Dendup
Asst. ICT Officer, ICT Division, DRC HQ,
Thimphu

Mrs. Sangay Choden
Revenue Officer (DRC Statistician), Revenue
Accounts & Audit Division, DRC HQ, Thimphu

Mr. Phuntsho Dorji
Deputy Collector, NTFC Secretariat & PMU-STF
Unit, Customs & Excise, DRC HQ, Thimphu

Mr. Sonam Gyeltshen
Office Assistant, DRC HQ, Thimphu

Mr. Ugyen Namgyel
REGIONAL DIRECTOR, RRCO Phuentsholing

Mr. Tandin Wangchen
Deputy Collector, Customs & Excise, RRCO
Phuentsholing

Mr. Ugyen Thinley
Assistant Collector, Customs & Excise, RRCO
Phuentsholing

Ms. Dawa Lham
Asst. Customs Officer, Customs & Excise, RRCO
Phuentsholing

Mr. Darjay
Asst. Customs Officer, Customs & Excise, RRCO
Phuentsholing

Mr. Sonam Dorji, Joint Collector RRCO
SJhongkhar

Mrs. Deki Gyamtsho
Assistant Collector, RRCO Paro

Mr. Dechen Wangdi
Customs Officer, RRCO Samtse

Mr. Kesang Yeshey
Assistant Collector, RRCO Gelephu

Mr. Tshering Dorji
Assistant Collector, RRCO Thimphu

Mr. Ugyen
Trainer/Consultant, Institute of Management
Studies, Thimphu

Mr. Dawa
Sr. Statistical Officer, National Statistics Bureau,
Thimphu

Mr. Jamyang Tashi
Manager, DHL, Thimphu

Mr. Palden Dorjee
General Manager, Leko Packers, Forwarders &
Clearing Agent, Thimphu

Mr. Sonam Gyaltsen
Dy. Chief Trade Officer, Department of Trade,
Thimphu

Mr. Sangay Dorji K
Immigration Officer, Department of Immigration,
Thimphu

Mr. Kunzang Wangdi
Specialist, Department of Road, Thimphu

Mr. Yeshi Dorji
Sr. Research Officer, BCCI, Thimphu

Mr. Damcho Tshering
General Manager, Bhutan Post, Southern Region

Mr. Dorji Tshering
President, Bhutan Exporters Association

Mr. Pema
Managing Director, Dophu Transport

Mr. Phajo Dorjee
Director, RMA, Thimphu

Mrs. Kinley Pelden
Chief, BAFRA, Thimphu

Ms. Tshering Choden
Staff, Rabten Roadways

Mr. Karma Pemba
Chief Transport Officer, RSTA, Thimphu

Mr. Tshering Yeshi
General Secretary, Bhutan Exporters Association

**UN ECONOMIC AND SOCIAL
COMMISSION
FOR ASIA AND THE PACIFIC**

Yann Duval
Chief
Trade Facilitation
Trade and Investment Division

Tengfei Wang
Economic Affairs Officer
Trade Facilitation
Trade and Investment Division

Fedor Kormilitsyn
Economic Affairs Officer
Transport Facilitation and Logistics Section
Transport Division

ASIAN DEVELOPMENT BANK

Cuong Minh Nguyen
Senior Economist (Regional Cooperation)
SARC, South Asia Department

Jacqueline Lam
Consultant (Trade Economist)
South Asia Department

A3. Trade and Transport Facilitation Monitoring Mechanism (TTFMM) meeting

Shangri-La Hotel, Wuhan, China, 21 October 2015

BANGLADESH

Mr. Md. Abdul Hakim, First Secretary (Customs Modernization), National Board of Revenue
Dhaka, Bangladesh

BHUTAN

Mr. Sonam Phuntsho Wangdi, Joint Secretary,
Ministry of Economic Affairs, Thimphu, Bhutan

Mr. Dhendup, Deputy Collector, Regional Revenue
and Customs Office, Department of Revenue and
Customs, Phuentsholling, Bhutan

Mr. Kesang Yeshey, Assistant Collector, Regional
Revenue and Customs Office, Department of
Revenue and Customs, Phuentsholling, Bhutan

INDIA

Mr. Zubair Riaz Kamili, Additional Commissioner,
Customs Commissionerate, New Delhi

Mr. Prabir De, Professor, India habitat Centre,
Zone 4B, Lodhi Road, New Delhi, India

NEPAL

Mr. Toya Narayan Gyawali, Joint Secretary,
Ministry of Commerce and Supplies, Kathmandu

Mr. Bishnu Prasad Paudel, Director, Customs
Department, Kathmandu, Nepal

Mr. Ananta Prasad Timsina, Customs Reform and
Modernization Section, Department of Customs,
Kathmandu, Nepal

Mr. Sharma Rajan, President, Nepal Freight
Forwarders Association and Member of Nepal
Trade & Transport Facilitation Committee,
Kathmandu, Nepal

INTERNATIONAL TRADE CENTRE (ITC)

Mr. Mohammad Saeed
Senior Advisor on Trade Facilitation

ASIAN DEVELOPMENT BANK (ADB)

Ms. Rosalind McKenzie
Regional Cooperation Specialist
Regional Cooperation and Operations
Coordination Division (SARC)
South Asia Department

Mr. Achyut Bhandari
National Trade Facilitation Expert
Independent of ADB for Bhutan
Thimphu, Bhutan

Mr. Mohammad Farhad
ADB Consultant/Customs Expert
Asian Development Bank (ADB)
Dhaka, Bangladesh

Mr. Sarad Bickram Rana
National National Customs Procures Expert
Asian Development Bank (ADB)
Kathmandu, Nepal

Dr. Posh Pandey
Chairman
South Asia Watch on Trade Economics and
Environment (SAWTEE)
Kathmandu, Nepal

ESCAP

Mr. Tengfei Wang
Economic Affairs Officer

A4. Workshop for the Implementation of TTFMM Baseline Studies

Bangkok, Thailand, 13-15 January 2016

BANGLADESH

Mr. Md. Firoz Shah Alam
Member (Customs: Audit, Modernisation & Intl.
Trade)
National Board of Revenue

Mr. Md. Abdur Rob
Deputy Secretary
Ministry of Commerce

Mr. Hasan Mohammad Tarek Rikabder
Joint Commissioner
Customs Excise & Vat commissionerate,

Mr. Md. Enamul Hoque
Assistant Commissioner
Customs Excise & Vat commissionerate

Mr. Md. Sayeduzzaman Sayed
Sayed Enterprise (Clearing & Forwarding Agent,
Import and Export, and Transport) President,
Burimari C&F Agents Association

Mr. Md. Rezaul Karim
C&F Agent, Freight Forwarder & Importer-
Exporter
President, Banglabandha C&F Agents Association
Director, Panchagrah Chamber of Commerce &
Industry

BHUTAN

Mr. Karma Drukpa
Regional Director
Regional Trade and Industry Office

Mr. Pema Wangchen
Joint Commissioner
Liaison and Transit Office
Royal Bhutan Customs Office

Mr. Tandin Wangchhen
Joint Collector
Customs and Excise Division
Department of Revenue and Customs

Ms. Deki Gyamtsho
Deputy Collector
Regional Revenue and customs Office
Department of Revenue and Customs

Ms. Tshering Choden
Executive Director
Bhutan Clearing and Forwarding Agent

INDIA

Mr. Kundan Kumar
Superintendent
Department of Revenue (CBEC)
Ministry of Finance

NEPAL

Mr. Jib Raj Koirala
Joint Secretary
International Trade Relations
Ministry of Commerce & Supplies

Mr. Mimangsa Adhikari
Director
Customs Reforms & Modernization Section
Department of Customs

Mr. Nirmal Kumar Mainali
Customs Officer
Birgunj Customs
Kumar Bhattarai
Customs Officer
Mehi Customs Office

Mr. Rajan Sharma
President
Nepal Freight Forwarders Association

UNESCAP

Mr. Yann Duval
Chief, Trade Facilitation Unit
Trade and Investment Division

Mr. Tengfei Wang
Economic Affairs Officer

ASIAN DEVELOPMENT BANK (ADB)

Ms. Aileen Pangilinan
Programs Officer
South Asia Department

Mr. Acyut Bhandari

ADB Consultant

Mr. Phuntscho Wangdi
ADB Consultant

Dr. Posh Pandey
ADB Consultant

Mr. Sarad Bickam Rana
ADB Consultant

Mr. Prabir De
ADB Consultant

Mr. Mohammad Farhad
ADB Consultant

Ms. Leticia de Leon
ADB Consultant

Ms. Alona Mae Agustin
ADB Consultant

A5. Field survey to Kolkata,

15-17 March 2016

Meeting with Kolkata Customs (Morning, 16 March 2016)

Dr N K Soren
Commissioner

Mr P.K. Bohra
Joint Commissioner

Mr Pramod Maurya
Deputy Commissioner

Mr Gyanendra Tripathi
Assistant Commissioner

Mr B. C. Dash
Superintendent

Mr. B. Kundu
Superintendent

Mr. Pradeep Lama
Indian Customs

Mr A Majhi
Indian Customs

Mr Debasish Dhar
Indian Customs

Meeting with Kolkata Port Trust (Afternoon, 16 March 2016)

Mr Goutam Gupta
Traffic manager

Mr Santanu Naskar
Dy Traffic manager (commercial)

Mr S C Chatterjee

Meeting with Customs House Agents, logistics and transport operators (Morning, 17 March 2016)

Mr Laxman Khadka
Branch Manager
Nepal Transit and Warehouse Co., Ltd

Ms. Sita Basnet, A. C G
Nepal Consulate

Mr. Ugyen Wangyd
Commissioner
Bhutan Customs

Mr. Pema Wangchen
Joint Commissioner
Bhutan Customs

Mr. Rajesh Sarda
CHA, SKB Shipping

Mr. KK Mantri
Manager
Trading Agency (CHA)

Mr. Pradeep Ararwal
CHA, Oceanic Express

Mr. Puneet Agarwal
Transport Oceanic Express

Mr. Reyaz Mullick
Mullick Shipping CCHA
Mr. M. K. Dubey, CHA

Meeting with Container Corporation of India Limited (CONCOR) (Afternoon, 17 March 2016)

Mr. Sumant Kumar Behera
Dy. General Manager (C&O)
Eastern Region

Meeting with Nepal Consulate in Kolkata (Afternoon, 17 March 2016)

Ms. Sita Basnet
Consul, Consulate General of Nepal

Mr. Dhruva Prasad Bhattarai, First secretary,
Consulate General of Nepal

Mr. Nagraj Jain, Chairman, Hanuman Group

Mr. Shyam Sharma, Proprietor, Bhawani
Roadways

A6. National Validation workshop on Baseline Study of Trade and Transport Facilitation Monitoring Mechanism (TTFMM)

Thimphu, Bhutan, 3 – 4 August 2016

Guests for opening and closing

Mr. Nim Dorji
Secretary, Ministry of Finance, Bhutan

Mr. Sonam Tenzin
Director, Department of Trade, MoEA

Mr. Yonten Namgyel
Director, Department of Revenue and Customs, MoF

Mr. Tshewang Norbu
Resident Representative, Bhutan Resident Mission,
Asian Development Bank

Asst. Research Officer, Bhutan Standard Bureau,
Thimphu

Mr. Jigme Dorji
Sr. Research Officer, Royal Monetary Authority,
Thimphu

Mr. Yeshe Dorji
Sr. Research Officer, Bhutan Chamber of Commerce
& Industry, Thimphu

Mr. Karma Pemba
Chief Transport Officer, Road Safety & Transport
Authority, MoIC, Thimphu

List of Participants

Mr. Tenzin Norbu
Collector, Customs & Excise, DRC, Thimphu

Mr. Tandin Wangchen
Joint Collector, Customs & Excise, DRC, Thimphu

Mr. Phuntsho Dorji
Deputy Collector, Customs & Excise, DRC,
Thimphu

Ms. Jambay Lhamo
Asst. Customs Officer, Customs & Excise, DRC,
Thimphu

Mr. Sangay Phuntsho
Regional Director, Regional Trade & Industry
Office, Thimphu

Mr. Zecko
Chief Trade Officer, Export Promotion Division,
Department of Trade, Thimphu

Mr. Pema Thinley
Sr. Trade Officer, Department of Trade, Thimphu

Mr. Tshering Nidup
Trade Officer, Import Section, DoT, Thimphu

Mr. Chador Wangdi
Dy. Chief of QCQD, Bhutan Agriculture & Food
Regulatory Authority, MoAF, Thimphu

Mr. Tashi Tenzin

Mr. Palden Dorji
General Manager, LEKO Packers (UPS), Thimphu

Mrs. Pema Yangdon
Country Manager, DHL, Thimphu

Ms. Wangmo
Regional Manager, Western Region, Bhutan Post,
Thimphu

Ms. Yadi Gurung
Officer, International Banking, Branch Office,
BNBL, Thimphu

Mr. Sangay Wangdi
General Manager, Royal Insurance Corporation of
Bhutan Ltd., Thimphu

Mr. Choney Doji
International Banking, Bank of Bhutan, Thimphu

Mr. Sonam Tobgay
Managing Director, Sonam Thuendrel Export and
Import, Thimphu

Mr. Pema Lodey
General Manager, Bhutan Hyundai Motors, Thimphu

Mr. Sonam Dorji
Regional Director, RRCO PLING

Ms. Deki Gyamtsho
Deputy Collector, RRCO PLING

Mr. Tika Sharma

Executive Director, RSA Private Ltd., PLING

Mr. Kencho Dorji
Sr. Manager, Pelden Enterprise, PLING

Mrs. Tshering Choden
Agent, Bhutan Clearing & Forwarding Agent,
PLING

Mrs. Sara Sunwar
Agent, S.S Clearing, PLING
Ms. Pem Bidha, Regional Director, Regional Trade
& Industry Office, PLING

Mr. Tshering Yeshi
General Secretary, Bhutan Exporter Association,
PLING

Mr. Damcho Tshering
Regional Manager, Southern Region, Bhutan Post,
PLING

Mr. Phuntsho
Officer In charge, BAFRA, MoAF, PLING

Mr. Tengfei Wang, Economic Affairs Officer,
UNESCAP

Mr. Achyut Bhandari
Consultant, ADB

Mr. Phuntsho Wangdi
Consultant, ADB

Ms. Sonam Dema
Consultant, ADB

Key informants for the BPA studies

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Bhutan Chamber of Commerce and Industry,
Thimphu

Mr. Penda Dorji
Department of Trade, Thimphu

Ms. Dechen Om
Bhutan Agriculture and Food Regulatory Authority

Ms. Tandin Wangmo
Bhutan national Bank, Thimphu

Ms. Yadi Gurung
Bhutan national Bank, Thimphu

Mr. Nima, R. Penjor Tshongkhang
Thimphu

Mr. Tobgye Dorji
Royal Insurance Corporation of Bhutan, Thimphu

Mr. Kumar Subba
Kia Motors, Thimphu

Mr. Karma Loday
Bhutan Hyundai Motors, Thimphu

Mr. Sonam Dorji
Regional Revenue and Customs Office,
Phuentsholing

Ms. Deki Gyamtsho
Regional Revenue and Customs Office,
Phuentsholing

Mr. Samdrup Dorji
Bhutan Silicon Metals Ltd., Phuentsholing

Mr. Jiwan Kafley
Bhutan Ferro Alloys Ltd., Phuentsholing
Mr. Durga Prasad Acharya
Bhutan Export Business Line, Phuentsholing

Ms. Kakemo
Kaka General Store, Phuentsholing

Mr. Dilliram Adhikari
State Trading Corporation of Bhutan Ltd.,
Phuentsholing

Ms. Pem Bidha
Regional Trade and Industry Office, Phuentsholing

Mr. Phuntsho
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Phuentsholing

Mr. Karma Phuntsho
Bhutan Insurance Ltd., Phuentsholing

Mr. Kesang Norbu
Bhutan Postal Corporation Ltd., Phuentsholing

Mr. Suman Lama
Bank of Bhutan, Phuentsholing

Mr. Sangay Dorji
Bhutan Chamber of Commerce and Industry,
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Mr. Tshering Yeshe
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Phuentsholing

Ms. Tshering Choden
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Phuentsholing

Mr. A. K. Majhi
Land Customs Station, Jaigaon, India

Mr. Debasish Dhar
Land Customs Station, Changrabandha, India

Mr. Pradeep Lama
Land Customs Station, Changrabandha, India

Mr. Rekeyet Hosaan
M/S Trade Syndicate, Burimari, Bangladesh

Dr. N. K. Soren
Commissioner, Indian Customs, Kolkata (along with
P.K. Maurya, U.C. Choubey, P.K. Vohra, B.C. Das,
and G.K. Tripathi)

Mr. Goutam Gupta
Kolkata Port Trust, Kolkata

Mr. Ugyen Namgyel & Mr. Pema Wangchen
Liaison and Transit Office (Bhutan), Kolkata

Mr. Tirok Thapa
State Trading Corporation of Bhutan Ltd., Kolkata

Mr. Riaz Mullick & Mr. Ramesh Mullick,
Mullick Shipping Co., Kolkata

Mr. K. K. Daga
Daga Carriers, Kolkata