

Department of Revenue and Customs – Bhutan

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ZERO CONTACT CUSTOMS CLEARANCE PROCEDURE:

**from a Landlocked Country perspective considering BHUTAN Customs Administration's
COVID-19 containment measures**

PART I: LAND CUSTOMS STATION

1. Bhutan's international trade landscape

Bhutan is a landlocked Himalayan country squeezed between two giants; China and India. Overall, about 95% of Bhutan's international trade substantially happens via land and only about 5% via Air. Further, due to very high Himalayan range and rugged terrain on its north, east and west, Bhutan's trade is largely with India from its southern land borders which constitutes about 80% of the overall trade volume. Goods imported into the country from countries other than India also transit via India.

2. COVID-19 pandemic challenges

Given the international trade landscape of Bhutan, the ongoing COVID-19 pandemic have posed immense risk and challenges to the cross-border regulatory and law enforcement agencies. On a positive note, it has led to a high-level border coordination and cooperation among all the border agencies, not only in Bhutan but globally as well. Due to immense risk posed by COVID-19 and strategic role Customs hold in the international trade supply chain, greater responsibility has been bestowed upon Customs to safeguard ones Nation at all cost. Under such conditions and given limited resources and technology advancement, Bhutan Customs initiated innovative measures to minimize risk. A zero contact Customs clearance procedures have been considered at the land borders where huge volume of consignments and goods are brought into the country in foreign transport/carrier with foreign drivers.

3. Measures put in place

The Royal Government of Bhutan (RGoB) has initiated various response strategies to contain the community spread of COVID-19 and stop its influx into the country from across the border. Thus, putting greater pressure and responsibility on Customs especially at the land borders where the transporters/carriers are largely illiterate. To ensure a successfully containment, Bhutan Customs adopted innovative measures which are briefly presented below with the aim to achieve zero contact Customs clearance and release consignments with minimal interference by the Customs officials.

3.1. Zero contact clearance procedures (Overview);

At a glance, loaded vehicles enter the customs area and documents are placed by the foreign driver themselves in the assigned drop box. The vehicle is then directed to transshipment bay to transship into the Bhutanese vehicle. While transshipment is carried out by assigned individuals in a planned manner using proper protective gears and maintaining appropriate physical distance,

the foreign driver is escorted to the temporary makeshift to rest and wait until the transshipment is completed. When the transshipment is done, the foreign driver will drive his empty truck and exit Customs area/border gate. Concerning the hard copies of the documents placed in the drop box (electronic declarations are also available), it will be kept overnight to contain the virus to the extent possible. In addition, Customs not only facilitate trade and clear goods but also makes sure that all the Customs areas are disinfected before and afterwards of the clearance procedures.

In the whole process, Customs officials have zero contact with foreign nationals with absolute physical distance maintained and follows disciplined process steps. Further, relaxation was enhanced for the physical examination unless any specific intelligence received or substantial breach determined.

3.2. Strict screening of travelers;

Since the land borders being very porous and movement of people and travelers across the border with India being free, the entry and exit gates are under strict surveillance after the outbreak of COVID-19. Though the free movement of people being temporarily suspended, the Customs officials assist the health officials in screening the thermal temperatures for the travelers entering into the country.

3.3. Separate entry and exit point for normal vehicles crossing borders;

As a functional requirement, various standard operating procedures have been developed designating separate entry and exit point for the foreign and Bhutanese vehicles crossing borders with the aim to minimize people contact.

3.4. Relief of Duty and Taxes (*Section 47 and 75 of the Customs Act of Bhutan, 2017*)

To sustain Bhutan's fragile economy and to ensure an uninterrupted supply of essential goods into the country, smooth cross-border business/trade transactions are maintained without any hindrance. To mitigate the impact of COVID-19 on the traders and business community at large, the RGoB deferred the payment of duty and taxes by three months (April-June, 2020) for identified importers importing essential goods categorized as basic necessity.

3.5. Customs administrative and service building cordoned

To minimize the risk posed by COVID-19, Customs administrative and service building areas has been immediately cordoned. Only the pertinent service provider mainly Customs Clearing and Forwarding Agents (CFA's) are permitted to enter the area. Even the traders are barred from entering the service building. Further, the CFA's manpower has been reduced and their office as well re-structured in line with social distancing procedure.

3.6. Safety measures for loaders

For the safety of self-employed loaders stationed at the Mini Dry Ports (MDP), protocol for transshipment of goods in the Customs area has been developed. The protocol entails loaders to maintain good physical distance amongst themselves at the time of transshipment, unloading and loading of the goods besides washing hands regularly. These loaders are basically the unemployed youth and volunteers who suffered loss due to closure of their business.

3.7. Other initiatives

Use of ***Druk Trace App for “Contact Tracing”*** by helping with the identification of people who may have come in direct contact with a COVID-19 infected person while visiting public places or while using public transportation.

With the aim to reduce mass gathering in the office, the Customs officials mostly working over the desk or computers have been directed to work remotely from their residence.

Beside mentioned above, Bhutan Customs has also put into practice the WCO indicative list of harmonized codes shared as supplementary note for emergency supplies.

Ensuring uninterrupted supply chain during the COVID-19 Pandemic

Facilitating the Cross-border Movement of Relief and Essential Supplies	Supporting the Economy and Sustaining Supply Chain Continuity	Protecting Officials	Protecting Society
<p>Coordinate and cooperate with other government agencies in facilitating smooth and faster clearance of goods.</p> 	<p>To maintain continuity and minimize interruption in the supply chain, the working hours extended beyond the normal working hours.</p> 	<p>Provide personal protection equipment to Officials, such as masks, gloves, sanitizers, etc.</p> 	<p>Rendering helping hand in checking the temperature of all incoming travelers.</p> 
<p>Clearance priority given to the essential goods.</p> 	<p>Introduced facilitative measures by accepting the documents in copy.</p> 	<p>Apply social distancing measures.</p> 	<p>Identified different entry and exit for Foreign Vehicle and National Vehicle thus, ensuring zero contact.</p>
<p>The import clearance procedure has been simplified to expedite the movement of consignment.</p> 	<p>Liaising frequently with the Indian counter parts and Liaison Transit Offices located outside the county in facilitating the clearance of consignment which is of paramount importance for the government and public at large during this critical situation.</p>	<p>Follow zero contact release protocol.</p> 	<p>Identified designated resting place for Foreign National Drivers.</p>

PART II: INTERNATIONAL AIRPORT

4. Customs clearance **objectives and principles during COVID 19:**

- To ensure Zero physical contact for Customs clearance.
- To focus on preventive and safety measures.
- To fast track service delivery with reduced workforce.
- To keep Cargos in temporary storage for a minimum of 24 hrs. before clearance.

5. Clearance of Passenger

- Coordination with the airport facilitation committee on the clearance of passenger;
- Assist in clearance of Relief flights bringing in Bhutanese Citizens from rest of the world;
- Minimal check and fast track clearance of passengers;
- Assist airport authorities in temperature scanning of passengers; and
- Sanitization of offices, cargo, baggage and belts (carousals) by the Air Transport authorities in consultations with the Health and Quarantine authorities.

6. Clearance of Cargo

- Coordination with the airport facilitation committee on the clearance of goods;
- Fast track clearance of all essential cargoes relating to COVID-19 such as testing kit, PPE, Ventilators, Hand sanitizer, medicines and other equipments (*Section 75 of the Customs Act of Bhutan 2017*);
- Clearances of relief consignments and donations based on government directives;
- Deferment of import duties and taxes on essential goods;
- Airway bill and invoice-based clearance.

7. Separate Record keeping

- Separate record and details of health procurement, relief consignments and other normal cargoes;
- Record of duties and taxes deferment;
- Sharing of the information with relevant stakeholders for proper coordination and effective service delivery.

8. Communication protocol and use of Technology

- Use of Druk Trace App for “Contact Tracing” by helping with the identification of people who may have come in direct contact with a COVID-19 infected person.
- Coordination on relief flights, exchange of passenger information and cargo manifest;
- Use of social media applications like WhatsApp group, Telegram and WeChat for coordination and effective communication amongst officials and stakeholders;

Social Distancing at the Paro International Airport



FOR MORE INFORMATION, PLEASE CHECK THE FOLLOWING:

- Contact point for Paro International Airport:

Mr. Ugyen Tshering,
Regional Director,
Regional Revenue and Customs Office,
Paro, Bhutan.
utshering@mof.gov.bt
PABX: +975-08-272831 / 272832, Fax: +975-08-272830

- Contact point for Land border Customs station:

Ms. Bumpa Lhamo,
Joint Commissioner,
Head of Customs and Excise Section,
Regional Revenue and Customs Office,
Phuentsholing Bhutan.
blhamo@mof.gov.bt
PABX: +975-05-252356 / 252237 / 252253, Fax: +975-05-252224

- For detailed contact addresses, please visit: <http://portal.drc.gov.bt/drc/node/100>.
- For more information about Bhutan Customs administrations, please visit www.drc.gov.bt.
- For the Fiscal and Monetary measures notification issued by the Ministry of Finance, Royal Government of Bhutan in the wake COVID-19 outbreak, please visit:
http://portal.drc.gov.bt/drc/sites/default/files/Notification_FM_MoF_03_2020.pdf OR
<https://www.mof.gov.bt/wp-content/uploads/2020/03/NOTIFICATION2803202001.pdf>.
- For an overall information on the COVID-19 situation in Bhutan, please visit www.moh.gov.bt.