



དཔལ་ལྷན་འབྲུག་གཞུང་། ཕྱི་འབྲེལ་ལྷན་ཁག་།

MINISTRY OF FOREIGN AFFAIRS  
DEPARTMENT OF MULTILATERAL AFFAIRS  
ROYAL GOVERNMENT OF BHUTAN  
THIMPHU

MFA/SAARC/25/696

The Ministry of Foreign Affairs, Royal Government of Bhutan presents its compliments to the Secretariat of the South Asian Association for Regional Cooperation, Kathmandu and has the honour to inform that Ministry of Finance, Royal Government of Bhutan has issued the notification for giving effect to SAFTA Trade Liberation Programme (TLP) with effect from 1<sup>st</sup> July, 2006 vide note no. MOF/TIS/SAC/58 on 29 June 2006, as follows:

**Quote:**

**NOTIFICATION**

MOF/TIS/SAC/58

Thimphu, 29 June 2006

In keeping with the Article 7, Trade Liberalization Programme (TLP) of the Agreement on South Asia Free Trade Area (SAFTA) signed on 6<sup>th</sup> January 2004 in Islamabad, Pakistan and consequent to the coming into force of the Agreement with effect from 1<sup>st</sup> January 2006, the Royal Government of Bhutan is pleased to announce the following tariff reduction schedules for imports from SAARC Member States with effect from 1<sup>st</sup> July 2006.

1. For tariff lines above 30 %, duties will be reduces to 30% in four equal instalments as per the schedule indicated below:

1 <sup>st</sup> July 2006	: 25%
31 <sup>st</sup> December 2006	: 25%
1 <sup>st</sup> July 2007	: 25%
31 <sup>st</sup> December 2007	: 25%

2. For tariff lines below 30%, duties will be reduced at the Margin of Preference (MoP) on actual tariff rates as indicted below:

1 <sup>st</sup> July 2006	: 2.5%
31 <sup>st</sup> December 2006	: 2.5%
31 <sup>st</sup> December 2007	: 5%

3. Tariffs will be further reduced to 0-5% between 31<sup>st</sup> December 2008 to 31<sup>st</sup> December 2015 in eight equal instalments, beginning from 31<sup>st</sup> December 2008.

The tariff reductions are applicable to products not listed in the **Sensitive List** and imports must be accompanied by **SAFTA Certificate of Origin** to avail the Preferential Treatment.

*Signed*  
( Yanki T. Wangchuk )  
Secretary

The Ministry of Foreign Affairs, Royal Government of Bhutan avail itself of this opportunity to renew to the Secretariat of the South Asian Association for Regional Cooperation the assurance of its highest consideration

24 July 2006



The Secretariat  
South Asian Association for Regional Cooperation  
Kathmandu  
Nepal

## BHUTAN'S PEAK TARIFF RATE REDUCTION UNDER SAFTA TLP

General CD Rate	SAFTA Rate under TLP Phase I	SAFTA Rate under TLP Phase II							
	As of 31/12/2008	31.12.2008	31.12.2009	31.12.2010	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015
(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
10	9.0	8.5	8.0	7.5	7.0	6.5	6.0	5.5	5.0
15	13.6	12.5	11.4	10.3	9.3	8.2	7.1	6.1	5.0
20	18.1	16.5	14.8	13.2	11.6	9.9	8.3	6.6	5.0
30	27.1	24.3	21.6	18.8	16.1	13.3	10.5	7.8	5.0
50	30.0	26.9	23.8	20.6	17.5	14.4	11.3	8.1	5.0
100	30.0	26.9	23.8	20.6	17.5	14.4	11.3	8.1	5.0

**NOTE:**

1. General Customs Duty rate for all imports is in column (A)
2. The preferential Customs Duty rate under SAFTA TLP Phase I as on December 2008 is in Column (B)
3. The preferential Customs Duty under SAFTA TLP Phase II would start from December 31, 2008 till December 31, 2015
4. The SAFTA Preferential rate is applicable only for those products **NOT** covered under the **Sensitive List**.