

## Bhutan

### Current postal regulatory landscape

#### *National legislation*

- Name of the act/law/rule: Bhutan Postal Act of 1999
- Year of enactment: 1999
- Year of last amendment: Currently submitted for amendment by the Parliament
- Website link to the text of the act/law/rule:
- All the postal legislations in place (Conventions/Rules/Regulations, etc.)
  - UPU standards and principles;
  - Bhutan Post Service Rules and Regulations 2024.

#### *Coordinating body for postal policies*

- Name of the coordinating body/ministry/committee/agency: Ministry of Infrastructure and Transport (MoIT)
- Level (Ministry or other): ministry
- Website: [www.moit.gov.bt](http://www.moit.gov.bt)
- Key Functions:
  - Policy Support: Develops and reviews policies to enhance postal service efficiency and infrastructure.
  - Strategic Guidance: Provides strategic direction for the growth and modernization of Bhutan Post.
  - Infrastructure Development: Supports the development and maintenance of postal infrastructure in terms of city addressing.
  - Coordination: Acts as a liaison between Bhutan Post and other government agencies for international correspondence.

#### *Regulatory authority*

- Name of the coordinating regulator:
  - Department of Revenue and Customs (DRC) and Bhutan Food and Drug Authority (BFDA) as regulators for taxes/customs and biosecurity/quality assurance, respectively – both working in close collaboration with the office in Bhutan Post.
  - Competition and Consumer Affairs Authority for consumer protection.
  - GovTech for ICT promotion with Department of Trade for issuance of necessary licences and permits.

#### *Licensing body*

- Agency/authority responsible for issuing postal service operation licences to postal service operators: Department of Trade under the Ministry of Industry, Commerce and Employment
- Types of licences required:
  - Financial service provider (remittance) licence;
  - Trade licences for e-commerce;
  - Postal services, including courier and parcel services.

### *Universal service obligations*

- Products and services covered by universal service obligation:
  - As per the definition of the UPU Convention, Bhutan Post provides letter-mail and parcel services at affordable prices throughout the country.
  - Letter mail includes ordinary letters, postcards, periodicals, printed matter and newspapers.
  - The weight limit for parcels is up to 30 kg for the domestic market.
- Prescribed number of post offices: the number and distribution of post offices are determined by Bhutan Post based on factors such as population density, geographical coverage, topography and demand for postal services. The goal is to ensure that postal services are accessible to all regions of the country, balancing the needs of urban and rural areas while optimizing operational efficiency and removing redundant post offices.
- Prescribed number of letter boxes: The number and placement of letter boxes is determined by Bhutan Post based on service needs and demand.
- Exceptions to universal service obligations: Bhutan Post may have exceptions to Universal service obligations in remote or challenging terrain/areas where service delivery is very difficult or sometimes impractical. In such cases, alternative solutions may be applied to ensure service coverage, especially by means of community mail offices and community mail carriers.
- Name of the universal service provider providing USO: Bhutan Post Corporation Limited.
- Status of the universal service provider providing USO: State-owned enterprise (SOE).

### *Financing of universal service obligations*

- Is there a well-defined procedure for financing the universal service provider: Yes  
If Bhutan Post incurs significant financial implications, we will seek support from the Ministry of Finance (MoF) for subsidies. However, to date, we have not approached the MoF for such support.
- How does the government support the Universal Service Provider in your country: The government supports the universal service provider if the company suffers a liquidity crunch, providing funds to revive the business and cover operating costs.

### *Quality requirements*

Bhutan Post, as the national postal operator, is mandated to ensure provision of the following:

- Timely delivery: Meet specific delivery time frames for domestic and international mail.
- Reliability: Offer tracking services and maintain consistent service quality.
- Accessibility: Provide services nationwide, including in remote areas, at affordable rates.
- Customer service: Deliver courteous and efficient service, with effective complaint resolution.
- Security: Ensure the safety of mail and parcels and comply with health and safety regulations.
- Regulatory compliance: Adhere to national standards, postal laws and international agreements.

### *Frequency of collection/delivery of postal services*

Bhutan Post operates with flexibility to ensure that services are accessible and efficient. Collection frequencies can vary depending on the location and volume of mail, with regular collections in urban areas and adjusted schedules in remote regions to meet service needs effectively.

### *Grievance redressal*

#### *Name of the body/organization designated for grievance redressal*

Bhutan Post is required to establish mechanisms for addressing customer complaints and grievances effectively.

#### *Reserved areas/Exclusive privilege*

Bhutan Post has exclusive rights over certain reserved postal services, including letter-post services and stamp issuance.

#### *Price regulations*

- Body regulating postal service prices: Competition and Consumer Affairs Authority (under the MoICE)
- Scope of price regulations:
  - Dynamic yet competitive pricing structure;
  - Affordability;
  - Reliability.

#### *Taxation*

- Are postal products and services liable for taxation: Yes  
 Postal items are generally exempt from value-added tax (VAT). However, other types of taxes, such as customs duties or handling fees, may apply to international parcels and imports. These taxes are not specific to postal services but are imposed on all imported goods and the processing thereof.

#### *Cross-border regulations*

- Are there clear regulations regarding the import and export of items through the postal channel: Yes
- The authorities that are stakeholders in the cross-border postal exchanges:
  - Bhutan Post: Manages and operates postal services, including cross-border mail.
  - Customs authority: Handles customs clearance and regulations for imported and exported items.
- Threshold value regarding import duties: 10,000 BTN
- Is there any national legislation mandating Electronic Advance Data for cross border transfer of items: Yes, Bhutan has implemented national legislation mandating electronic advance data for cross-border transfers of items.