



DRC/TAX/M&E/NOT/2025/ 1293

4th February 2026

NOTIFICATION

Subject: Withholding Tax (TDS) Return Filing Obligations and Penalties under the Income Tax Act of Bhutan 2025

The Department of Revenue & Customs hereby notifies all withholding agents of their Tax Deducted at Source (TDS) return filing obligations and the applicable penalties under the Income Tax Act of Bhutan 2025, which is effective from 1 January 2026.

1. Filing of withholding Statements (TDS Returns) and Deposit of Withheld Tax

Any person who is liable to withhold tax under the Income Tax Act of Bhutan 2025 shall file a Withholding Statement (TDS Return) and deposit the tax withheld with the Department. This obligation arises when the person is liable to make a payment that is subject to withholding under the Act.

2. Deposit of Withheld Tax and Filing of Withholding Statements

As per Sections 273 and 274 of the Act, every withholding agent shall comply with the following monthly obligations:

- deposit the withheld tax with the Department within 10 days after the end of each calendar month; and
- file the Withholding Statement (TDS Return) with the Department within 10 days after the end of each calendar month.

3. Penalties

3.1 Late filing of withholding statement

Failure to file the TDS Return by the due date shall attract penalties under Section 664 of the Income Tax Act of Bhutan 2025, as follows:

Company: Nu. 300 per day

Any other person: Nu. 100 per day

3.2 Late Payment of Withheld Tax

Failure to deposit the withheld tax by the due date shall attract late payment interest at the rate of 15% per annum on the unpaid amount, calculated from the due date to the date of payment, in accordance with Section 442 of the Act.

4. Online filing of Withholding statement

TDS returns shall be filed online through the RAMIS portal at www.drc.gov.bt

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Department of Revenue and Customs
Ministry of Finance
Royal Government of Bhutan

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This notification is issued for information and strict compliance by all concerned. For detailed provisions and clarifications, please refer to the Income Tax Act of Bhutan 2025 and the associated Rules.

Director General
Department of Revenue & Customs