

Ref: MBPL/HO/CEO/2026/289

11<sup>th</sup> March, 2026

**Office Oder**

**Subject: Implementation of TDS Deduction on Interest Earned from Fixed Deposits**

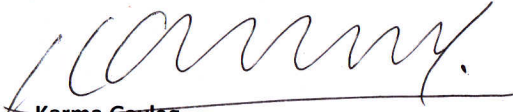
In accordance with the directives of the Department of Revenue and Customs (DRC), Royal Government of Bhutan, and as communicated earlier, this is to notify all concerned that Tax Deducted at Source (TDS) at the **rate of 10%** shall be deducted on interest earned from any Fixed Deposit (FD) with effect from 2026 onwards, in compliance with the prevailing tax rules and regulations.

Therefore, all concerned officials at the Head Office (HO) and all Branch Heads of Microfinance Bhutan Pvt. Ltd. are hereby instructed to strictly implement the following:

- 1. TDS Deduction:**  
Ensure that 10% TDS is deducted on interest earned from all Fixed Deposits as per the applicable tax provisions prescribed by the Department of Revenue and Customs (DRC).
- 2. Client Awareness and Communication:**  
Branches must inform, educate, and communicate clearly with all Fixed Deposit clients regarding the TDS deduction requirements on interest income as per national tax regulations.
- 3. TPN Update:**  
Ensure that Taxpayer Identification Numbers (TPN) of all FD clients are properly collected, verified, and updated in the system to facilitate accurate tax deduction and reporting.
- 4. Issuance of TDS Certificates:**  
Where applicable, TDS certificates must be issued to the respective clients after deduction to enable them to claim or reconcile their taxes as per DRC procedures.
- 5. Coordination with Accounts:**  
All branches are requested to coordinate closely with the Accounts/Finance Department to ensure accurate recording of deductions, reconciliation, and timely submission and filing of TDS reports to the Regional Revenue & Customs Office (RRCO).
- 6. Compliance and Monitoring:**  
Branch Heads shall be personally responsible for ensuring compliance with this directive and maintaining proper documentation and records related to TDS deductions and reporting.
- 7. Accountability for Non-Compliance:**  
Failure to comply may lead to regulatory non-compliance, financial penalties from DRC, and administrative accountability on the responsible officials as per the company's internal compliance and disciplinary procedures.

All concern at HO and branches are therefore requested to take immediate necessary actions and ensure strict adherence to this order to maintain compliance with the national tax regulations.

For any clarification, branches may coordinate with the concerned staff at the Head Office.

  
**Karma Gayleg,**  
Chief Executive Officer



Copy to:

- All heads HO and branches for necessary action/information.