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ROYAL MONETARY AUTHORITY OF BHUTAN

RMA/DPSS/2019-2020/ 5962

To,
The Chief Executive Officer(s)
All Commercial Banks
Thimphu.

March 12, 2020

Subject: Revision of Bank Service Charges

Dear Sir(s),

The RMA in close collaboration with its member banks achieved some of the very important digitization milestones during the year 2019 starting with the operationalization of one of the latest and futuristic technologies called Global Interchange for Financial Transaction (GIFT) to make domestic payments, along with its integration to the electronic Public Expenditure Management System (e-PEMS) of the Government. Followed by the launch of Rupay 1st Phase and development of a National e-commerce portal on the regional and international fronts respectively. Further, a nationwide campaign was successfully initiated to promote and implement the usage of QR payment at fuel stations and other potential areas across the country.

As a result, while cash is still the payment method of choice, payment landscape in Bhutan is also moving towards digital transactions at an accelerating pace. As per the Annual Payment System Report 2019, there is a clear positive shift in the share of digital payments from 50 percent in 2018 to 76 percent in 2019 in the total payment transaction volume. With the rise in smartphone penetration, internet access, and pace of innovation, the dynamics is expected to improve further if supplemented with concerted effort by the RMA and the banks.

As such, the RMA in consultation with the banks reviewed the current pricing structure and transaction limits of the payment instruments so as to understand the chain of who foots the bill (paying for payments) to make the pricing transparent and affordable. Henceforth, the structure shall be reviewed annually.

The revised structure and transaction limits are attached herewith for strict adherence by the bank with effect from April 1, 2020 until further notification from the RMA. Also, for customer's information, to ensure that all the pricing along with the transaction limits are displayed on the bank's website and access points wherever necessary.

Thanking you.
Yours sincerely,

Yangchen Tshogyel
(Deputy Governor)