



Transaction guidelines for accounting settlement of Bill Discounting

In line with the Notification on *Implementation of Bill Discounting facility for Government Contracts (Works)* issued by Department of Treasury and Accounts (DTA), Ministry of Finance (MoF) letter vide no.DTA/TMD/GEN/2024-2025/364 dated 27/12/2024, DTA issue the following transaction guidelines for settlement of Bill Discounting in e-PEMS:

Step - 1 (Debit Letter of Advice)

Budgetary bodies shall issue Debit Letter of Advice as per the format (Annexure 4) to the Bank of Bhutan (BoBL)

Condition for issuance of Debit Letter of Advice should be after the receipt of fund release for the specific project/activity.

Step - 2 (Obtain bank statement)

Accounting for expenditure in e-PEMS

Mode of payment: Direct Transaction (DT)

Party type shall be selected Vendor – Contractors (Works only)

Budget line Dr. (Gross Final Bill)

12.b (Bank)Cr. (Net Payable Amount)

Statutory deduction (Security Deposit & TDS) and any other deduction if any (advance recovery adjustment/Audit Recovery/Liquidity Damages) should be deducted and remitted to the correct account.

Step - 3

Associated charges for the Bill Discounting settlement accounts maintained with Financial Institutions (FIs) other than BoBL:

If the bill discounting settlement account is at the FIs other than BoBL, remittance will be routed through BIRT and the associated charges will be charged to the Procuring agency's LC/PLC Account.

Budget Line Dr.

12.b (Bank) Cr.

Mode of payment: DT



Step - 4

Settlement of Bill Discounting interest:

In the event of default of payment by the procuring agency beyond the period specified in the contract agreement, the procuring agency shall be liable for reimbursement of the discount/interest amount and applicable charges incurred due to delayed payment shall be paid to the contractor by passing the following transaction:

Budget Line (Party/Vendor/Contractor Account) Dr.
12.b (Bank) Cr.

Mode of payment: Bank

However, the liability of reimbursement of the discount/interest amount and applicable charges shall fall upon the responsible official (s) if the delayed payment is due to their negligence.
