



MEMORANDUM OF UNDERSTANDING OF THE MANAGEMENT OF THE PROVIDENT FUND OF PRIVATE COMPANIES/NGO's

This Memorandum of Understanding is drawn up on thisday of between the Bhutan Insurance Limited (hereinafter referred to as "BIL") including its representatives and permitted assignees) and..... (Hereinafter referred to as the "Member Organization") which includes its representatives and permitted assignees)

Whereas an understanding has been reached between the Member Organization, and the Company (BIL) regarding the management of the Provident Fund, and whereas the Member Organization has entrusted the company (BIL) with the management of the Provident fund and the company (BIL) has agreed to undertake this responsibility. Both the parties to this memorandum hereby agree to the following terms and conditions for the management of the Fund (PF) with effect from.....

1. BIL under the supervision guidance of the Board of Director of the Company, shall implement, manage, administer, invest and operate the Fund (PF) in the best interest of the Members Organization.
2. This Memorandum of Understanding is drawn up for the period of (.....) years and may be reviewed and drawn accordingly.
3. The Member organization shall have the right to terminate or surrender due to closer of business entity under unavoidable circumstance only.
4. If the member organization decides to withdraw full deposited amount before expiry of the term beside above stated reason, BIL shall pay less by 1% per annum of agreed interest rate on the initial deposited amount including the additional deposit made if any, subject to serving one month notice period.
5. The disbursing officers shall remit the PF contribution both employee and employer within 15th days of the following month.
6. In case of any default in remitting the contribution within 15th days from the date of salary/wage, the company (BIL) may charge a rate of 1% penalty on the contribution amount for defaulted period.
7. If such default continues for a period of six months, the concerned Provident Fund account shall be considered lapsed or inactive and the interest may be freeze thereafter and the accumulated balance may be refunded as per the scheme.
8. BIL shall pay interest on the provident fund accumulation on daily product basis at the interest rate of (per annum) and credit it to the accumulated amount annually.



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Bhutan Insurance Limited

Your insurer of
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However, should there be any change in interest rate during the contract period, the same will be intimated and draw the new Memorandum of understanding accordingly.

9. The Rules and regulations of the Provident Fund Scheme shall be an integral part of this memorandum of understanding.
10. The Member Organization shall intimate BIL on the resignation, retirement, retrenchment, superannuation and termination of employees from service to BIL for withdrawal with respect to PF payment for its employee at any point of time during office hours.
11. BIL will make all refund payments related to the members directly to the concerned Member Organization, unless otherwise specifically directed or authorized by the Member Organization to make direct payment to the concerned member or member's nominee (in case of member death)
12. Any amendment of the memorandum of understanding shall be made an endorsement signed by authorized representative of the BIL and the Member Organization
13. Any dispute arising between the member organization and BIL shall be settled through a third-party arbitrator mutually agreed and appointed by the parties. In case of non-settlement, the parties shall refer to the court of justice and shall be dealt as per the laws of the kingdom of Bhutan.

This Memorandum of Understanding have been agreed to by both the BIL and the..... (Member Organization), the said parties affix their signature on this..... day month of the year.....at.....

Signature of the BIL

Name:

Designation:

Signature of the Member organization

Name:

Designation:

Witness

Name:

ID No:

Address:

Witness

Name:

ID.No:

Address: