



ISO/IEC 27001:2022 & ISO/IEC 27701:2019 Certified Company

**MEMORANDUM OF UNDERSTANDING FOR THE MANAGEMENT OF GRATUITY FUND**

This Memorandum of Understanding is executed on this.....(date) between the **Bhutan Insurance Limited**, License No. **1024966**, an insurance company incorporated under the Company Act of Kingdom of Bhutan, having its registered office at Chorten Lam, Post-Box No. 779, Thimphu (hereinafter referred to as "the BIL"), including its representative and permitted assignees.

**AND**

.....License number....., (hereinafter referred to as the "Member Organization"), having its registered Office at ..... including its representatives and permitted assignees.

**WHEREAS:**

- a) An understanding has been reached between the Member Organization and the BIL regarding the management of the Gratuity Fund (GF).
- b) The Member Organization has offered to entrust BIL to manage the Gratuity Fund for its employees; and
- c) BIL, being duly approved by the Royal Monetary Authority (RMA) of Bhutan (**Approval No RMA/FRSD/22/2014-2015/0712, dated 13<sup>th</sup> August 2014**) to manage retirement benefit plans, has agreed to manage the Gratuity Fund of the Member Organization.

**NOW, THEREFORE** both the parties to this memorandum hereby agree to the following terms and conditions.

1. BIL, under the guidance of its Board of Directors, shall implement, manage, administer, invest, and operate the Gratuity Fund in the best interest of the Member Organization.
2. This MoU shall be valid for a period of \_\_\_\_\_ years and may be reviewed and renewed upon mutual agreement of both parties.
3. The Member Organization shall have the right to terminate or discontinue this agreement only in the event of the closure of its business entity during the validity period of the agreement.
4. A single account in the name of the Member Organization shall be maintained for all contributions received from or refunds made to the Member Organization.
5. All correspondence regarding Gratuity Fund Management shall be conducted between BIL and the Member Organization.
6. The Member Organization shall remit a lump-sum contribution amount so appropriated as annual gratuity fund contribution to BIL upon the finalization of financial statements of each year or as and when it becomes available, during the agreement period.
7. BIL shall pay simple interest on a daily product basis at a rate of \_\_\_\_\_% per annum.
8. The Member Organization shall notify BIL of any resignations, retirements, retrenchments, superannuation, or employee terminations in accordance with its company policy, to facilitate gratuity payment withdrawals during office hours.
9. BIL shall disburse gratuity payments as determined by the Member Organization, provided

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sufficient funds are available in the Gratuity Fund Account. BIL shall not be responsible for verifying the correctness of the 'gratuity payment amount'.

10. BIL shall process all refund payments related to the members directly to the Member Organization, unless expressly directed or authorized by the Member Organization to make direct payments to the concerned member or the member's nominee (in the event of the member's death).
11. If the Member Organization withdraws fully or partially more than 25% of the deposited amount before the MoU expires, BIL shall pay interest at a rate 1% lower than the agreed interest rate on the initial deposited amount, including any additional deposits, subject to a two-month notice period. However, this condition does not apply to normal withdrawals due to employee separation or business closure.
12. The Gratuity Fund Policy Document shall be referred as an integral part of this memorandum of understanding.
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 event of non-settlement, the parties shall refer the matter to the court of justice and it shall be dealt with according to the Laws of the Kingdom of Bhutan.

This Memorandum of Understanding have been agreed to by both parties hereto have affix their signature and seal and delivered it on the date.....

**Signature of the BIL**

Name:  
Employee ID:  
Designation:  
Email Address:  
Contact No:

Witness Signature (BIL)

Name:  
CID Number  
Address:  
Contact No:

**Signature of the Member Organization**

Name:  
Employee ID/CID:  
Designation:  
Email Address:  
Contact No:

Witness Signature (Member Organization)

Name:  
CID Number  
Address:  
Contact No:

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**BIL-PO.004-Privacy Policy**

1. Bhutan Insurance Limited collects personal information (PII) from customers, employees and relevant stakeholders for various purposes, including insurance, loans, identity verification, customer response, recruitments, Private Provident Funds, and Gratuity Funds.
2. The company does not disclose customer, stakeholders and employee PII to third parties or engage in transborder sharing, except to regulators, governments, and law enforcement agencies as required by applicable laws and guidelines.
3. The company implements measures to protect personal information against unauthorized disclosure.
4. Our website and other online platforms use cookies and related technologies to track visitor information, simplify platform use, customize products and services, collect user data, and analyze server logs.
5. While the company takes steps to prevent unauthorized access to personal data, it cannot guarantee complete data security or website access. Users are encouraged to use secure online platforms, strong passwords, and secure browsers, and to report any unauthorized use to the company immediately.
6. Our website may contain links to third-party websites. We are not responsible for the privacy practices of these websites and encourage users to review their policies, even if they are co-branded with our logo or trademark.
7. This policy and website use are governed by Bhutanese laws and company regulations. The company acts as a Data Controller and ensures that consent is obtained before accessing personal information.
8. The company upholds privacy rights, including access to personal data, consent withdrawal, objection to data processing, rectification, erasure, data portability, processing restriction, protection against automated decision-making, and the right to lodge a complaint.
9. Personal information is securely stored at our office for at least 10 years and is destroyed thereafter. While we do not share, sell, or rent PII, we may store it with third parties who are required to respect data security and handle it lawfully.
10. The detailed policy can be found on the Bhutan Insurance Limited website (data\_privacy\_policy.pdf (www.bil.bt)).

I....., hereby confirm that I have read the privacy policy of Bhutan Insurance Limited.

**Signature of applicant**

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