



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

This Memorandum of Understanding is drawn up this day \_\_\_\_\_ between the \_\_\_\_\_ (hereinafter referred to as "Group") and Bhutan Insurance Limited (hereinafter referred to as "Company"). Whereas an understanding has been arrived at between the Group, and the Company regarding the management of the Provident Fund, and whereas Group having entrusted the Company with the management of the fund and the Company having agreed to do so, both parties to this memorandum do hereby agree to the following terms and conditions in connection with the management of the fund with effect from \_\_\_\_\_

1. The Company, under the superintendence and guidance of the Board of Director of the Company, shall implement, manage, administer, invest and operate the Fund to the best interest of the members.
2. This Memorandum of Understanding is drawn up for the period from \_\_\_\_\_ and may be reviewed thereafter.
3. The disbursing officers shall remit the amount so deducted within 15<sup>th</sup> of the month following the payment of salary and recovers there from in respect of employee's contribution.
4. If there is any default to remit the amount of contribution within 15<sup>th</sup> day of the day of payment of salary/wage, the company shall charge at the rate of 1% for the defaulted period. If such default continues over a period of three months the concerned Provident Fund A/C shall be lapsed and the accumulated balance shall be refunded as per the scheme.
5. The BIL shall pay/credit return on the P.F. accumulation on daily product basis @ 7% p.a. However, should there be any change of interest rate in between the contract period the same will be intimated accordingly.
6. The Rules and regulations of the Provident Fund Scheme (attached hereto) shall/ would form integral part of this memorandum of understanding.
7. BIL will make all refund payments related to the members directly to the Organization concerned, unless otherwise specially directed/authorized to make direct payment to the concerned member.

This Memorandum of Understanding have been agreed to by both the Company and the \_\_\_\_\_, the said parties affix their signature on this \_\_\_\_\_ day \_\_\_\_\_ month of the year \_\_\_\_\_ at \_\_\_\_\_

**Legal Stamp Nu. 10/-**

For and on behalf of Bhutan Insurance Ltd.

For and on behalf of Members

Thimphu, Bhutan