

འབྲུག་གི་མི་དམངས་དངུལ་རྩིས་ (འཕྲི་སྒྲོན་) བཅའ་ཁྲིམས་

༢༠༡༢ ཅན་མ།



PUBLIC FINANCE (AMENDMENT) ACT OF BHUTAN
2012

Public Finance (Amendment) Act of Bhutan 2012



ཨན་ཨེ་མེ/ཨེ་མེ-༩/༢༠༡༢/༡༩༥

སྤྱི་ཚེས་ ༢༤.༥.༢༠༡༢ ལྷ

༣ **མི་རིགས་འཕེལ་རྒྱུ་ལྷན་པོ་མཚོན་པའི་ལྷན་པོ་** རྟོག་འཇུག་ དེ་ནི་ སྤྱི་ལོ་ ༢༠༡༢ ཟླ་ ༡ པའི་ཚེས་ ༤ ལུ་ སྤྱི་ཚོགས་ལྷན་
 བཞུགས་ཚོགས་འཛོལ་གྲུབ་པའི་ **འབྲུག་གི་མི་དམངས་དབུལ་རྒྱུ་(འཕྲི་སྐྱོན་)བཅའ་ཁྲིམས་ ༢༠༡༢ ཅན་མ་དེ་** ཅུ་ལྷི་མས་
 ཚེན་མོའི་ ཅུ་ཚན་ ༡༣ པའི་དོན་ཚན་ ༡༡ པའི་དགོངས་དོན་ལྟར་ རང་ལྷགས་གནམ་ལོ་ཚུ་ལོ་འབྲུག་ལོ་ཟླ་ ༤ པའི་
 ཚེས་ ༤ ལུ་འཇུག་ སྤྱི་ལོ་ ༢༠༡༢ ཟླ་ ༥ པའི་ཚེས་ ༢༥ ལས་འགོ་བཟུང་ སྤྱི་ཚོགས་ཀྱི་གྲོ་སྤྲོད་ཚེད་དང་འཁྲིལ་ཏེ་
 བསྟར་སྲོད་འབད་དགོ་པའི་བཀའ་ཐམས་གནང་ཡོད་པ་བཞིན་ཏུ་ དེར་ལྷན་ཁག་གི་ཉོངས་ལས་ དང་བྱེད་སྤྲོད་ཚུ་ལ་མཐུན་མཛེད་
 དགོ་བཅས་། རང་ལྷགས་གནམ་ལོ་ཚུ་ལོ་འབྲུག་ལོ་ཟླ་ ༤ པའི་ཚེས་ ༥ ལུ་

(Signature)
 (འཛིགས་མེད་ཚུ་ལ་ཁྲིམས་)
 ཚོགས་པ་དོན་འཛུགས་

- ལང་ ༡. **གཞུང་སྲོད་དབུལ་རྒྱུ་ལྷན་པོ་མཚོན་པའི་ལྷན་པོ་** སྤྱན་སྐྱོན།
༢. དང་ལྷི་མས་ལྷན་སྐྱེད་དབུལ་རྒྱུ་ལྷན་པོ་མཚོན་པའི་ལྷན་པོ་མཚོན་པའི་ལྷན་པོ་ སྤྱན་སྐྱོན།
 ༣. རྒྱལ་ཡོངས་ཚོགས་སྐྱེད་མི་རྒྱུ་ལྷན་པོ་མཚོན་པའི་ལྷན་པོ་ སྤྱན་སྐྱོན།
 ༤. མངའ་བདག་དབུལ་རྒྱུ་ སྤྱན་སྐྱེད་ཚེད།
 ༥. རྒྱལ་ཡོངས་ཚོགས་འདུའི་ཡོངས་ཁྱབ་དབུལ་རྒྱུ་ སྤྱན་སྐྱེད་ཚེད།

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Preamble

An Act to amend certain provisions of the Public Finance Act of Bhutan 2007 and to harmonize with other relevant provisions of law;

Parliament of the Kingdom of Bhutan do hereby enact the Public Finance (Amendment) Act of Bhutan 2012 on the 12th Day of the 11th Month of Iron Female Rabbit Year of the Bhutanese Calendar corresponding to the 6th Day of January 2012 at its 8th Session of the First Parliament as follows:

Title, Commencement and Extent

1. This Act shall:
 - a) Be called THE PUBLIC FINANCE (AMENDMENT) ACT OF BHUTAN 2012;
 - b) Come into force on the 4th Day of the 5th Month of the Water Male Dragon Year of the Bhutanese Calendar, corresponding to the 25th Day of May, 2012; and
 - c) Extend to the whole of Bhutan.

2. **In the Public Finance Act of Bhutan 2007, hereinafter referred to as the Act , section 2 is amended as :**

“Repeal

Supersede provisions of any law, regulations, rules and notifications that are inconsistent with the provision of this Act, or as otherwise specified herein“.

3. **In Act, section 9 is amended as :**
“Taxes, fees and other forms of levies shall not be imposed or altered except by law”.
4. **In the Act, section 10 is amended as :**
Money shall be appropriated for the requirement of the state through the annual Budget Appropriation Bill approved by Parliament in accordance with Sections 46(D) to 46(I) of this Act.
5. **In the Act , section 13 is amended as :**
The Minister of Finance shall table before Parliament.
- (a) The audited Annual Financial Statements of the financial year ended during each summer session;
 - (b) The Budget Policy and Fiscal Framework Statement;

- (c) The Budget Appropriation Bill that is consistent with the fiscal sustainability and transparency principles in this Act.
6. **In the Act , section 14 (b) is amended as :**
Proposing taxation measures to Parliament, and raising other revenues and resources for the Government including signing agreements for loans and grants.
7. **In the Act section 23 (b) is amended as :**
“implementing the budget process including preparing the Budget Policy and Fiscal Framework Statement, the Budget Appropriation Bill and other relevant materials”;
8. **In the Act , section 41 is amended as :**
The Royal Audit Authority shall audit the Government’s Annual Financial Statements
9. **In the Act , title of Chapter 4 is amended as :**
MONEY AND FINANCIAL BILL, BUDGET AND REPORTS
10. **In the Act , section 46 (c) is amended as :**
“the Government’s planned fiscal projections for the

medium term including taxation and other revenue measures.”

11. **In the Act , after section 46, new sections are inserted, namely :**

“Money Bills and Financial Bills

Section 46A

A Money or Financial Bill is a Bill which contains only provisions dealing with all or any of the following matters:

- (a) Imposition or increase of any tax or abolition, reduction or remission of any existing tax.
- (b) Government spending that is, appropriation or payment of moneys out of the Consolidated Fund;

If any question arises whether a bill is a Money Bill or not, the decision of the Speaker thereon shall be final”.

Section 46B

“The imposition or increase of any tax or abolition, reduction or remission of any existing tax once passed as law by Parliament, shall be applied retroactively from

the date it was initially tabled in the National Assembly”;

Section 46C

“A Bill shall not be deemed to be a Money or Financial Bill by reason only that it provides for:

- (a) Principles and procedures that relates to taxation or spending; or
- (b) Imposition or alteration of any fine or other pecuniary penalty or for the payment or demand of any fee or charge for any service rendered”.

Procedure for Money Bills and Financial Bills

Section 46D

“Money Bills and Financial Bills shall originate only in the National Assembly”.

Section 46E

“A Money or Financial Bill, after being passed by the National Assembly shall be presented to the National Council and that Bill shall be passed during the same session of Parliament”.

Section 46F

“Where the National Council passes the Money or Financial Bill it shall return the Bill to the National Assembly within five days of its presentation. The National Assembly shall submit the Bill to the Druk Gyalpo for Assent within fifteen days from the date of receipt of such Bill”.

Section 46G

“Where the National Council passes the money or financial bill with recommendations, it shall return the bill to the National Assembly for re-deliberation within five days from the date of presentation”.

Section 46H

“The National Assembly may thereupon either accept or reject all or any of the recommendations of the National Council and present the Money or Financial Bill to the Druk Gyalpo for Assent within fifteen days from the date of passing of such Bill”.

Section 46I

“Where the National Council neither passes nor returns the Money or Financial Bill within five days of its presentation, the Bill shall be deemed to have been passed and the National Assembly shall submit the Bill to the Druk Gyalpo for Assent within fifteen days from the date of its presentation to the National Council”.

12. **In the Act , section 47 is amended as :**
“The Minister of Finance shall present to Parliament the Government’s Budget Appropriation Bill no later than 5 days preceding the budget year”.
13. **In the Act, section 48 is amended as :**
“The Budget Appropriation Bill shall detail the Government’s financial performance intentions in such details as prescribed in the Financial Rules and Regulations and shall include”:
14. **In the Act, section 49 is repealed.**
15. **In the Act, section 50 is amended as :**
“The Ministry of Finance shall publish the Budget Appropriation Act passed by Parliament”.

16. **In the Public Act , section 51 is amended as :**

“Where the Budget Appropriation Bill has not been approved by Parliament in accordance with section 46(D) to 46(I) of this Act before the beginning of the fiscal year, the respective appropriations of the preceding fiscal year shall be applied for the following until the new ones are sanctioned.

- a) Meeting the recurrent expenditures necessary to maintain the continuity of Government;
- b) Meeting expenditures for ongoing donor financed projects that have all the required Government approvals; and
- c) Meeting the requirements for the repayment of loans.

If one or more parts of the new budget have been approved, they shall be put into effect”.

17. **In the Act, section 52 is repealed.**

18. **In the Public Act , section 56 is amended as :**

“The Minister of Finance may present to Parliament Supplementary Budget Appropriation Bills, outlining changes in appropriations and resource estimates with full justifications for the revisions. Such Bill shall be

introduced to Parliament at the earliest sitting of Parliament after the last sitting”.

19. **In the Act , section 57 is amended as :**

“Revisions of the Budget Appropriations may be considered only when circumstances have changed significantly such as in the case of

- (a) shortfalls in revenues and other resources threatening macrofiscal sustainability;
- (b) substantial increase in costs of programmes as approved by the Lhengye Zhungtshog;
- (c) incorporation of expenditures financed or co-financed by donors and the Government’s contribution thereof as provided for under section 60;
- (d) emergency expenditures as provided for under section 66 in this Act; or
- (e) any other expenditure on an activity which is of national importance as approved by the Lhengye Zhungtshog.

Such revision to the Budget under section 57 (b) and (e) may be approved by the Lhengye Zhungtshog only on the recommendation of the Ministry of Finance where

additional budget does not exceed the total approved budget. The Ministry of Finance may authorize additional budget through technical adjustments but remaining within the total approved budget.

Any Supplementary Budgets beyond the total approved amount shall only be approved by Parliament in accordance with section 46(D) to 46(I) of this Act.

The Minister of Finance shall submit these to Parliament as the Supplementary Budget Appropriation Bill”.

20. **In the Act , section 59 is amended as :**

“Except for the provisions under Section 66, no budgetary body shall make commitments or shall incur expenditure against supplementary budget proposals in anticipation of the approval of the proposal until the revised Budget Appropriations Bill has been passed by Parliament in accordance with Sections 46(D) to 46(I) of this Act”.

21. **In the Act, section 60 is amended as :**

“The Minister of Finance may authorize a supplementary appropriation without recourse to

Parliament and on the authority of this Section alone for expenditures that are financed by donors or co-financed jointly with the government for a development project that has all the required Government approvals. Such finance shall be based on agreement between the donors and the government. Such appropriations shall be recorded in the Supplementary Budget Appropriation Bill”.

22. **In the Act, section 64 is amended as :**

“The authority of budgetary bodies to consume resources under the Budget Appropriation Act shall lapse at the end of the financial year to which that Act relates”.

23. **In the Act, section 66 is amended as :**

“If, due to an emergency or disaster, an urgent need has arisen for expenditure, for which no budget appropriation has been made and which cannot be postponed without detriment to the public interest, the Minister of Finance may authorize the use of public funds to defray expenditure of such exceptional nature without further authority than this Section provided that:

- (a) a full report of such expenditure and its impact on the Budget Policy and Fiscal Framework Statement is made to Parliament for ratification through the Supplementary Budget Appropriation Bill referred to in Section 57; and”
24. **In the Act, sub-title before section 106 is amended as :**
“Consolidated Fund and related bank accounts”
25. **In the Act section 107 is amended as :**
“There shall be a Consolidated Fund into which shall be deposited all public money not allocated to specific purposes by law and from which expenditure of the state shall be met.
Public money shall not be drawn from the Consolidated Fund except through appropriations in accordance with the law”.
26. **In the Act, new section inserted after section 112 is amended as :**
Release of Funds

“The Ministry of Finance shall release funds to budgetary bodies after the budget has been approved by Parliament in accordance with section 46(D) to 46(I) of this Act. Such funds shall be drawn from the Consolidated Fund and released through bank accounts authorized by the Ministry of Finance in accordance with the financial rules and regulations”.

27. **In the Act, section 113 is amended as :**

“The Ministry of Finance shall not release moneys for the purpose of meeting expenditures unless:

- (a) such expenditure has been authorized for the financial year during which the withdrawal is to take place by:
 - (i) a Budget Appropriation Act;
 - (ii) a Supplementary Budget Appropriation Act; or
 - (iii) any other provision of this Act”.

28. **In the Act, section 122 is amended as :**

“All Budgetary Bodies shall base the accounting records on the accounting standards prescribed by the relevant Agency”.

29. **In the Act, new sub-section is inserted after section 126 (c) namely :**
“(c1) on-lending to state enterprises and other legal entities”;
30. **In the Act, section 126 (d) is amended as :**
“or any other purposes approved by the Lhengye Zhungtshog”.
31. **In the Act, section 146 is amended as :**
“Except for money under Section 139 (d), no person shall have any right of action against the Government or any agent of the Government in respect of any investment or non-investment of any money to which this Section relates”.
32. **In the Act, new section is inserted after section 172 namely :**
“Other fees and levies may be introduced or revised from time to time by the agencies as per the provisions of the respective laws. Where no laws exist, fees and levies may be introduced or revised with the approval of the Government.”