RESOLUTIONS (TRANSLATION) OF THE 3RD SESSION OF THE NATIONAL COUNCIL OF BHUTAN

(9th day of the 5th month of the Female Earth Ox Year corresponding to July 01, 2009)

A) Opening Ceremony

The 3rd session of the National Council of Bhutan commenced on the 9th day of the 5th month of the Female Earth Ox Year of the Bhutanese Calendar corresponding to July 1, 2009. In keeping with the rich cultural traditions of the country, the opening session began with the offering of *marchang*. The inaugural session was presided over by the Hon'ble Chairperson.

B) Address by the Hon'ble Chairperson

The session began with an inaugural address by the Hon'ble Chairperson who expressed happiness at being able to meet once again without any untoward incidents. He also extended a heartfelt welcome to all those viewers and listeners of the live telecast to the opening ceremony of the 3rd session of the National Council.

The Chairperson expressed gratitude to His Majesty the King on his recent tour of all gewogs under Lhuentse Dzongkhag and those other gewogs under Mongar Dzongkhag. He thanked His Majesty immensely for showering compassion on the plights of the poor people and granting them the precious land *kidu* whose livelihood depended solely on land.

The Chairperson said that commendable achievements were being made in planned economic development, particularly, in Education and Health sectors in keeping with the guiding philosophy of Gross National Happiness. Further, he said that under the benevolent rule and wise guidance of His Majesty the King, parliamentary democracy had not only taken roots as an institution but had spurred the growth of a vibrant democracy.

The Hon'ble Chairperson also commended and thanked the Druk Phuensum Tshogpa Government for its planned economic development and in achieving the desired results within a short tenure of slightly more than a year.

The Chairperson said that if we had to maintain peace, prosperity and happiness in the country, it was imperative that every individual Bhutanese took responsibility to protect, implement, promote and uphold the laws. Accordingly, the National Council during its 2nd session had deliberated on 14 legislative and 16 policy-related issues and submitted its resolutions to the relevant organizations/agencies for implementation. He said that while some had already begun implementing, others were in the process of being implemented. Similarly, he said that 20 legislative and 2 policy-related issues would be deliberated during the 3rd session.

In concluding, the Chairperson wished that with the blessings of the past luminaries, protecting deities of the Palden Drukpa and wisdom of the successive Kings, the country may live free of disease, calamities and wars and fulfil the vision of Gross National Happiness. He also prayed for the long life and continued success of Their Majesties the Kings and members of the Royal Family.

C) Expression of gratitude by Hon'ble Members

The Hon'ble Member from Lhuentse Dzongkhag submitted his appreciation to His Majesty the King for his visit to Domkhar village in Tsenkhar gewog under Lhuentse Dzongkhag in March 2009. He expressed his heartfelt gratitude to His Majesty the King for granting the landless and those surviving illegally on government land with the most precious gift of land as *kidu*.

He said that granting land *kidu* to the destitute was a Royal Prerogative and while the Kings had always been granting land *kidu* to our people, the visit by His Majesty the King to the remote villages of eastern Bhutan and granting land *kidu* along with other *kidus* was a milestone event in the history of Bhutan. He recalled the times in the past when people had to cross mountains and rivers to reach Thimphu to request for *kidu* from the King.

He also submitted that the three representatives from Lhuentse Dzongkhag had been blessed with the rare opportunity to accompany His Majesty for twenty-two days. The Hon'ble Member wished His Majesty a safe journey and prayed for similar success in his visit to other Dzongkhags.

D) Deliberations on the Annual Report of the Hon'ble Prime Minister

Commenting on the Annual Report presented by the Hon'ble Prime Minister during the 3rd session of Parliament, the Hon'ble Member from Lhuentse Dzongkhag said that the newly elected Druk Phuensum Tshogpa government under Democratic Constitutional Monarchy had in its first year of governance brought about tangible results in all development activities despite many hurdles and obstacles. While he congratulated the Druk Phuensum Tshogpa government for its successes, he submitted that the National Council had been set up as a House of Review. Therefore, the Good Governance Committee had to review the Annual Report and submit its findings to the House during the current session.

Similarly, other members expressed gratitude to the new government for the successful outcome of all the plan activities that had been carried out during its first year of governance. However, if the institution of parliamentary democracy that sprang up from the ideals of their Majesties the fourth and fifth Druk Gyalpos were to take roots, be able to firmly embed and serve this country for years to come, they felt that it was important for the Hon'ble Members of both the Houses to work together keeping in mind the provisions of the Constitution.

The Hon'ble Members conveyed deep regrets to the Government for its lack of support to the National Council which they felt should have been provided as a new institution. Moreover, Section 3 of the Prime Minister's Annual Report reflected resentment of the Government on the views and comments made by the National Council and Media. The Government felt that these were infringement of its roles and responsibilities. The Hon'ble Members clarified that the National Council's intention was not to stop the Government from what it was doing but acting as a check and balance. They further argued that without the existence of the National Council, Royal Audit Authority, Anti-Corruption Commission and Media, the institution of democracy in the country would be ineffective.

Some of the Hon'ble Members said that the National Council as a House of Review under the Constitution had been reviewing activities of the Government followed by submission of detailed findings. They cited cases of review works that had been carried out by the National Council. One such case was the Constituency Development Grant (CDG) that had been approved by the Government. The Hon'ble Members said that the National Council's objection on the Constituency Development Grant both during its 1st and 2nd sessions was not heeded to by the Government and rather went ahead with its implementation. The National Council had not approved the Constituency Development Grant on grounds that it was unconstitutional and that experience from other countries clearly revealed its negative impacts than benefits. The Hon'ble Members said that the disapproval expressed by the members was instead taken by the Government as interfering in the executive matters and creating difficulties in its governance.

Therefore, the National Council resolved as follows:

- 1. To express gratitude to the Government for its achievements in the past one year;
- 2. To review the Annual Report of the Hon'ble Prime Minister by the Good Governance Committee;
- 3. To ask the Government to spell-out its plans, programs and policies in the Annual Report for the coming year;
- 4. To remind the Hon'ble Prime Minister that for a vibrant democracy in the Kingdom, the presence of a capable and efficient National Council was essential;
- 5. As provided for in the Constitution, the Government should support the National Council to become a functional institution; and
- 6. To submit a reminder to the Hon'ble Speaker on the provision of Section 91 of the National Assembly Act 2008, which stated that "The members shall refrain from referring to individual members of the National Council, characterizing the action or inaction of the National Council, or quoting National Council proceedings, except to make legislative history on a measure then under debate".

E) Legislative Issues

1. Royal Bhutan Police Bill 2009

The Royal Bhutan Police Bill 2009 was thoroughly deliberated in both the houses in the 2nd Session of Parliament. The National Council further deliberated on the recommendations submitted by the two legislative committees of the Parliament in the 3rd Session. Although, it adopted most of the amendments, some of the disagreements were resolved to be deliberated in the Joint Sitting of Parliament.

The Preamble was amended as "In keeping with **Article 28 of the Constitution with** the objective of protecting and safeguarding the society and in order to strengthen and promote the primary responsibility of the Royal Bhutan Police for maintaining law and order and prevention and detection of crime, the National Assembly of Bhutan Parliament of the Kingdom of Bhutan hereby during its 87th session enact the Royal Bhutan Police Act **2009 at its Third Session of the First Parliament as follow:**"

Section 4 of Chapter 3 was amended by the National Assembly as "The Minister for Home and Cultural Affairs may, from time to time, **shall** give directions to the Chief of Police in matters related to law and order prevention of crimes and development of police in the country to make it people friendly and professionally efficient" which the two Legislative Committees further amended as "The Minister for Home and Cultural Affairs may, from time to time, **shall** give **lawful** directions to the Chief of Police in matters related to law and order prevention of crimes and development of police in the country to make it people friendly and professionally efficient". Therefore, it was resolved to be deliberated in the Joint Sitting of Parliament.

Section 9 of Chapter 3 was amended as "Whenever there is a **threat of** serious breakdown of law and order affecting internal security of the country, the Chief of Police shall seek guidance and directions from the Minister for Home and Cultural Affairs for dealing with such situations".

The National Council had amended Section 12 of Chapter 4 as "The Royal Bhutan Police shall be **a professional organization and an apolitical body** administered

independently in accordance with the provisions of this Act and the Chief of Police shall be responsible for ensuring its proper administration" to which the National Assembly did not agree. Therefore, it was resolved to be deliberated in Joint Sitting of Parliament.

Section 15 of Chapter 4 was amended as "The roles and responsibilities of the Police Officer under Section 14 of this Act shall be as per Police Service Rules and Regulations which may be amended from time to time as recommended by the Police Service Board and approved by the Chief of Police Minister for Home and Cultural Affairs".

The National Council amended Section 18 of Chapter 4 as "The Chief of Police shall be appointed by His Majesty the Druk Gyalpo, by warrant under His hand and seal, from among the list of names recommended by the the Prime Minister from the list submitted by the Police Service Board Service Promotion Board based on seniority, qualification and capability". Since it was not accepted by the National Assembly, the house resolved to deliberate it in the Joint Sitting of Parliament.

Section 19 of Chapter 4 was amended as "The Chief of Police shall be retired or dismissed **removed** from service by His Majesty, the King on the recommendation of the Prime Minister on the grounds of proven gross misbehavior and inefficiency".

Section 20 (a) and (b) of Chapter 4 deleted by the National Assembly were resolved to be deliberated in the Joint Sitting of Parliament.

In Section 27 (p) and (q) of Chapter 5, the word "Duties" was changed as "**Security**" in line with the Dzongkha text.

deleted and a new clause added as highlighted below: (a) Maintenance of law and order before, during and after elections; (b) Maintenance of order at the polling stations; (c) Guarding polling stations and ballot boxes; (d) Escorting of Electronic Voting Machines (EVM) and ballot boxes from the polling centers to the collection centers and guarding them at the collection and counting centers; (e) Provide security at the time of counting of votes and announcement of results; (f) Provide security to the election officials at the polling stations; and added new Section as "Provide security to candidates where necessary;" (g) Ensure that the voters exercise their franchise without being intimidated, harassed or subjected to coercion and that the polling is held in a peaceful, orderly, fair and free manner; (h) Any other responsibilities laid down under the Election Security Rules; (i) The security personnel deployed for election duty shall remain apolitical and shall not interfere in election; (j) No Police person belonging to their own Dzongkhag shall be deployed for election duty in the same dzongkhag; (k) All personnel deployed for election duty shall observe strict discipline and shall not under any circumstances do anything that would affect the image of the organization; and (1) Any violation of the electoral rules by security personnel shall be punishable under this Act and the Election Act of the Kingdom of Bhutan.

Section 29 of Chapter 5 was amended as "No person of the Royal Bhutan Police shall engage in political activities or align with any political party or organization in any way except as otherwise prescribed by law".

Section 46 of Chapter 7 was amended as "The Superintendents of Police/ Officer Commanding/Officer In-charges may undertake any crime prevention activities at

local level. Wherever necessary, they may **shall** liaise with the respective Dzongdas/Dungpas for undertaking such activities".

Section 47 of Chapter 7 was amended as "Whenever there is a **threat of** serious breakdown of law and order affecting any part of the dzongkhag, the Superintendents of Police shall seek guidance and directions from the respective Dzongdas".

The National Assembly amendment in Section 48 of Chapter 7, "The Superintendents of Police/ Officer Commanding/Officer In charges shall work in close coordination with **under the supervision of** the respective Dzongda/Dungpas in **accordance with National Disaster Management procedures in** the times of disaster or natural calamities" was resolved to be deliberated in the Joint Sitting of Parliament.

Section 56 of Chapter 8 was amended as "An intelligence investigation officer who is designated by the Chief of Police shall have all the powers of investigation".

Section 57 of Chapter 8 was amended as "The Royal Bhutan Police shall have the power to prosecute any person for any criminal offence **other than felonies**".

Section 61 of Chapter 8 was amended as "The Superintendent of Police, **Officer Commanding/Officer Incharges under the direction of Dzongdag/Dungpas** may, as occasion requires, direct the conduct of all assemblies and processions on the public roads or in the public streets or thoroughfares, and prescribe the routes by which, and the time at which, such processions may pass".

Section 62 of Chapter 8 was amended as "On being satisfied that it is intended by any person or class of persons to any such road, street or thoroughfare, or to form a procession, which would in the judgment of the Superintendent of Police, **Officer Commanding/Officer Incharges under the direction of Dzongdag/Dungpas**, if uncontrolled, be likely to cause a breach of peace, require by general or special notice that the persons convening, or collecting such assembly or directing or promoting such procession shall apply for a permit".

Section 63 of Chapter 8 was amended as "On such application being made, the Superintendent of Police, **Officer Commanding/Officer Incharges under the direction of Dzongdag/Dungpas** may issue a permit, defining the conditions, on which such assembly or procession is to be permitted or to take place".

Section 77 (b) of Chapter 12 was amended as "The investigator shall inform the accused of the offence he is being charged with and to prepare his defense either in person or through legal counsel Jabmi".

The National Assembly amendment in Section 78 of Chapter 12, "No Police officer shall investigate or enquire into any offence alone. He shall be assisted by such number of subordinate personnel **including female officer** as deemed necessary" was resolved to be deliberated in the Joint Sitting of Parliament.

The National Assembly amendment in Section 102 of Chapter 14, "The Royal Bhutan Police shall within its organization have an Intelligence Bureau directly under the Chief of Police for the purpose of collecting intelligence **Investigation** and information relating to criminal and subversive activities against the Tsa-Wa-Sum and shall be headed by the Deputy Chief (IB)" was resolved to be deliberated in the Joint Sitting of Parliament.

The National Assembly amendment in Section 103 of Chapter 14, "The National Central Bureau shall be located at the Police Headquarter to liaise with the other Interpol member countries and Sub-Regional Bureaus. The National Central Bureau with its secure I-24/7 global Police communication system shall assist the Police under the Intelligence Investigation bureau" was resolved to be deliberated in the Joint Sitting of Parliament.

The title of Section 104 of Chapter 15 was amended as "Definition of Special Police Divisions".

Section 113 (d) of Chapter 15 was deleted from the Bill.

Section 115 of Chapter 16 was amended as "The members of the Royal Bhutan Police Service Board (hereinafter referred to as the "Board") shall be appointed by **the Minister for Home and Cultural Affairs upon the recommendation of the** Chief of Police. The Board **shall consists of eleven** consisting of ten members shall be convened by the Additional Chief of Police as the Chairperson".

A new clause was added under Section 116 of Chapter 16 as "i) The Head of Law and Order Bureau, Ministry of Home and Cultural Affairs".

The National Council amendment in Section 117 of Chapter 16: "The Additional Chief of Police and the Deputy Chiefs of Police shall be the Chairperson of the Police Service Board on rotational basis. However, the Additional Chief of Police shall cease to be a member when one of the Deputy Chiefs is the Chairperson of the Board. The other members shall be appointed for a period of two years and shall not be reappointed for more than two consecutive terms", was resolved to be deliberated in the Joint Sitting of Parliament.

Section 118 of Chapter 16 was amended as "The Board shall formulate policies, **rules** and **regulations** and guidelines for the Royal Bhutan Police concerning" and a new Section added after it as "Quorum: The quorum of the Board meeting shall be two third of the members".

Section 115 to 125 of Chapter 16 was put after Chapter 4.

Section 125 of Chapter 16 was amended as "All policies and Service Rules and Regulations formulated and decided by the Board shall be submitted to the Chief of Police for assent before implementation endorsement and further submission to the Home Minister for approval".

Section 129 (j) of Chapter 18 was amended as "Two years imprisonment In accordance with this Act in case of desertion;" and (k) as "Life imprisonment In accordance with this Act in case of Mutiny". A new clause "(l) As per Penal Code of Bhutan in case of sexual harassment" was added.

The new section added by the National Assembly after Section 129 of Chapter 18 as "**extra duty hours"** was resolved to be deliberated in the Joint Sitting of Parliament.

A new Section was added after Section 146 of Chapter 18 as "Independent inquiry committee: The Royal Government may institute an independent inquiry committee, as and when required to investigate the cases of serious misconduct by a police person".

The title of Chapter 19 was amended as "Accountability and Liability Management of Public properties".

The National Council amendment in Section 161 of Chapter 20: "The salary, allowances, benefits and other emoluments of a Police person shall be such as may be fixed **from time to time**. by the Government upon the recommendation of the Pay Commission" was resolved to be deliberated in the Joint Sitting of Parliament.

Section 162 of Chapter 20 was amended as "Every Police person shall be entitled to free **and proper** accommodation with free electricity and water. In the event **proper** accommodation cannot be provided, the house rent admissible as prescribed under the rules and regulations shall be sanctioned".

Section 163 of Chapter 20 was amended as "Every **A** police person shall be entitled to the following service benefits and allowances as per scale prescribed in the Police Service Rules and Regulations which will be at par with the Royal Bhutan Army / Royal Body Guards".

Section 163 (a) to (p), 164, 166, 167 and 168 were deleted from the Bill and put under rules.

Section 171 of Chapter 21 was amended as "Superannuation of a Police person shall be as given below: (a) Five years tenure or attaining the age of sixty years, whichever is earlier for the Chief of Police; Two years more than that of Royal Bhutan Army/Royal Body Guard personnel across the board. (b) Fifty eight years of age for the other Police officers, and; The term of office of Chief of Police shall be five years or until attaining age of superannuation which ever is ever is earlier; (c) Fifty six years of age for other Police persons Provided that a police person if not promoted twice during their tenure of a service shall be retired".

The National Council amendment in Section 174 (a) of Chapter 21, "**The Druk Gyalpo** The Police Service Board, if the resignation is submitted by the Chief of Police", was resolved to be deliberated in the Joint Sitting of Parliament.

Section 188 of Chapter 23 was amended as "The promotion of a Police to the next higher rank shall be based on principles laid down herein under: seniority, qualification and capability".

The National Council amendment in Section 189 of Chapter 23, "His Majesty the Druk Gyalpo by warrant and Seal under His Hand may be pleased to grant promotion to the Chief of Police on the recommendation of the Prime Minister Service Promotion Board;" was resolved to be deliberated in the Joint Sitting of Parliament.

Section 190 of Chapter 23: "(a) On the recommendation of the Service Promotion Board, the Chief of Police shall submit the name list of Officers above the rank of Thrimdag Gongma and above to the Druk Gyalpo for promotion to higher ranks; (b) Promotion for officers below the rank of Thrimdag Wogma and below shall be approved by the Chief of Police on recommendation of the Police Service Board;" was resolved to be deliberated in the Joint Sitting of Parliament.

Section 196 of Chapter 23 was amended as "All Police persons shall be bound to serve in any part of the country in the service of the Royal Government **Tsa- Wa-Sum** or to proceed to any place outside Bhutan". Section 198 of Chapter 24 was amended as "In recognition of the meritorious services, the Royal Bhutan Police shall **may** make provisions to award the gallantry and service medals and allowances for the medals received by the individual Regulations. The gallantry and service medals as per the Police Service shall be: They are".

A new Section was added after Section 206 of Chapter 25 as "**Public information** system: The Chief of Police shall strengthen the public information system to guide and support the general public who are visiting the police station".

Section 208 of Chapter 26 was amended as "The amendment of this Act by way of addition, variation or repeal shall be effected by a simple majority of the respective Houses or vote of no less than two-thirds of the total members of Parliament present and voting on a motion submitted by one-third of the members of either House, provided that the amendment does not undermine the functions and effectiveness of the Royal Bhutan Police".

The National Assembly amendment in Section 210 (c) of Chapter 27 as "Deputy Chief of Police" shall mean officers designated to look after the Administration and Logistics, Intelligence bureau of investigation and the Crime and Operations Branches of the Royal Bhutan Police or any other post designated from time to time" was resolved to be deliberated in the Joint Sitting of Parliament.

Section 210 was amended as "(g) "Officer Commanding" shall mean any commissioned officer appointed to be the Officer Commanding of a Police station by the Chief of Police. (h) "Officer In-charge" shall mean any Junior Commissioned Officer appointed to be the Officer In charge of a Police station, Out-Post and check post by the Chief of Police. (i) "In charge" shall mean any Junior Commissioned Officer or non Commissioned Officer appointed to be In-charge of check-post or units by the Chief of Police.

(14th day of the 5th Month of Female Earth Ox year corresponding to 6th July 2009)

2. Prison Bill of Bhutan 2009

The Prison Bill of Bhutan 2009 was thoroughly deliberated in both the houses in the 2nd Session of Parliament. The National Council further deliberated on the recommendations submitted by the two legislative committees of Parliament in the 3rd Session. Although the house endorsed most of the amendments, the disagreements were resolved to be deliberated in the Joint Sitting of Parliament.

The Preamble of the Bill was amended as "In keeping with the objective of ensuring proper establishment and standard of management, administration, control and security of prisons including the welfare of prisoners and matters relating to the reformation and rehabilitation of prisoners, the National Assembly of Bhutan do hereby enact the Prison Act of the Kingdom of Bhutan. Parliament of the Kingdom of Bhutan do hereby enact the Prison Bill of the Kingdom of Bhutan 2009 at its Second Session of the First Parliament as follows:"

Section 2 of Chapter 1 was amended as "The **Prison Act of the Kingdom of Bhutan** 2008 **9** hereby repeals the Prison Act of 1982".

The title of Section 3 of Chapter 1 was amended as "**Definition of terms**" and resolved to move the entire Section to the end of the Bill".

Section 3 (o) of Chapter 1 was amended as "Prison staff" for the purpose of this act, shall mean police personnel and shall be governed by the Royal Bhutan Police Act 2007-9".

Section 4 of Chapter 2 was amended as "The Chief of Police may in consultation with the Minister for Home and Cultural Affairs:"

The title of Section 5 of Chapter 2 was amended as "Creation of Detention rooms".

Section 8 of Chapter 2 was amended as "On recommendation of the Police Service Board Additional Chief of Police, the Chief of Police shall appoint a Senior Superintendent of Prison as the head of the Prison Service Division".

Section 9 of Chapter 2 was amended as "On recommendation of the Police Service Board, Senior Superintendent of Prisons, the Additional Chief of Police, shall appoint all subordinate officers to assist the Senior Superintendent of Prison service Division for the administration of the prison".

Section 11 of Chapter 2 was amended as "**Appointment of medical officer:** A medical officer may **shall** be appointed by the prison authority in the Central Prison. However, in the dzongkhag prisons, the prison authorities in consultation with the Ministry of Health, shall identify and appoint a focal medical doctor for the medical treatment of prisoners. He shall be supported by adequate number of trained medical staff".

Section 12 of Chapter 3 was deleted.

The Dzongkha text of Section 18 (e) of Chapter 3 was rephrased.

Section 19 (d) of Chapter 3 was amended as "Make such returns and reports to the Superintendent/officers Commanding/officer In charge as the Superintendent/officer Commanding/Officer In charge as may be requested from time to time".

The Dzongkha text of Section 21 (k) of Chapter 3 was rephrased.

Section 21 (o) of Chapter 3 was amended as "Ensuring that no prisoners are accessible to unauthorized dangerous weapons, abusive substance, alcohols, drugs **are accessible to the prisoners;**"

Section 25 (c) of Chapter 4 was amended as "**Category of prisoners:** Political Prisoners charged under the National Security Act;"

A new Section was added after Section 37 of Chapter 5 as "**Be provided with** appropriate diet to the expecting or nursing mother as prescribed by a medical officer;"

The title of Chapter 6 of Dzongkha version was changed.

Section 55 of Chapter 7 was amended as "Where the Superintendent/Officer Commanding/Officer Incharge of a prison is of the opinion that a prisoner who is confined in that prison requires medical treatment that cannot by reason of severity, be administered within the prison, the Superintendent/Officer Commanding/Officer Incharge he shall order the transfer of the prisoner from the prison for the purpose of receiving necessary treatment and the return of the prisoner to prison after treatment".

Section 58 of Chapter 7 was amended as "All sick prisoners **including expecting or nursing mother** shall be exempted from labour subject to the medical officers' recommendation. Such exemption shall be for that period as specified by the medical officer".

The National Assembly amendment in Section 74 of Chapter 8, "The dead body of the prisoner shall be handed over to the spouse/relatives, **if willing**, in presence of witness and a receipt duly signed must be kept for records by the prison authority" was resolved to be deliberated in the Joint Sitting of Parliament.

The title of Section 75 of Chapter 8 was amended in the Dzongkha text.

Chapter 12 was amended as "The use of word punishment in Chapter 12 and wherever applicable may be replaced by **penalty** in conformity with other Acts".

Section 81 of Chapter 9 was amended as "In order that prisoners may maintain **personal hygiene** a good appearance compatible with their self-respect, no prisoners shall be permitted to keep long hair and beard at will. For this purpose, barbers shall be provided for the proper care of hair and beard".

Section 83 of Chapter 9 was amended as "Any waste and refuse shall be disposed into pits covered properly to prevent the outbreak of disease. The Prison warden and the guards shall supervise such disposal **as per Waste Prevention and Management Act 2009**".

Section 101 of Chapter 11 was amended as "Before the use of a firearm under **the provisions Section** 99 of this Act, steps shall be taken, where it is practicable in the circumstances to do so, to order the prisoner or other person to desist from his apparent course of conduct and to give warning that a firearm is about to be used. However, the use of firearms under above Sections shall be, as far as possible, to disable and not to kill".

The National Council amendment in Section 106 of Chapter 12 as "All prison staff shall be punishable under Section 117 of the **Royal Bhutan** Police Act if without lawful authority **commits the following**:" was resolved to be deliberated in the Joint Sitting of Parliament.

Section 107 and Sub-Section 107 (c) of Chapter 12 were rephrased in the Dzongkha version.

Section 107 (oo) of Chapter 12 was put under Section 108.

A new Section was added after Section 109 of Chapter as "Any violation of the provisions of this act by the prison staff shall be dealt with in accordance with the Royal Bhutan Police Act".

A new Section was also added after Section 110 Of Chapter 12 as "**The prison** authority shall cause to be fixed in a conspicuous place outside every prison a notice of offences and penalties liable under this Act".

Section 113 of Chapter 12 was amended as "Any prisoner who shows consistency and exemplary good conduct and behavior during the last **past** ten years in prison for lifers and three fourth of the sentence for others may be entitled to the following privileges: (a) Be recommended for reduction of sentence after review by **Inquiry** committee (both for life and other); or (b) Be entitled for general amnesty as and when granted under **the provisions** Section 32 of the Penal Code of Bhutan, 2004".

Section 132 of Chapter 14 was amended as "A spouse visiting the prisoner may use the conjugal cabins after due approval from the Superintendent/Officer Commanding/Officer In charge of the prisons subject to the availability of such facilities for conjugal visit. However, only one such visit shall be permitted in a month".

Section 134 of Chapter 14 was amended as "The parents and relatives of the prisoners who wish to **stay overnight** use the conjugal room may be permitted on humanitarian grounds, subject to availability of such facilities. However, only one such visit shall be permitted in a month".

Section 135 (f) of Chapter 14 was deleted.

The amendment and addition in Section 139 of Chapter 15: "The staff of the prison shall be trained on: (c) Guarding Management of prison infrastructure; (g) Trainings on Dealing with women and children; (h) First Aid; (i) Counseling;" were resolved to be deliberated in the Joint Sitting of Parliament.

Section 147 of Chapter 17 was bifurcated into two and amended as "**147** - It should be the objective of the prison authority to ensure that the convicted prisoners are reformed during their stay in prison and that they acquire the necessary qualities and vocational skills, to ensure normal life in the society upon their release after serving the sentence. **148** - The prison authority may with the approval of the government introduce vocational courses in selected prisons in order to help the prisoners acquire vocation-oriented skills so that after release they may be able to earn their livelihood. The Royal Government of Bhutan, if deemed necessary, may also create a separate reformatory institute for the prisoner's vocational training".

Section 152 (a) of Chapter 18 was amended as "The following categories of prisoners shall not be taken out for any prison labour: within the prison complex: (a) Political prisoner; **Prisoners charged under the National Security Act**;"

In Section 156 of Chapter 19, an addition was made to sub-section (a) as "Admission register **and form,**" (l) **Personal file** was moved to Section (b), (o) **Hospital admission register** was moved to (n), (p) **Medical checkup register** was moved to (m), and (u) Prisoners release form was deleted.

Section 176 of Chapter 22 was amended as "The Superintendent/Officer commanding/Officer In-charge of the prisons may conduct checks and searches in the cells and wards of the prisons from time to time. During the search, all prohibited items seized shall be recorded in the prisoner's personal file and appropriate action will be taken as per Section 109 and 111 of the Prison this Act. No warrant is necessary to be obtained for conducting such a search under this Section".

In Section 180 of Chapter 22, the two sub-sections were deleted and amended as "All prison staff on completion of two years in the same prison shall be transferred to another prison to avoid fraternization with the prisoner as follows as per the Royal Bhutan Police Act".

The National Assembly amendment in Section 182 of Chapter 23: "Amendment: The amendment of this Act by way of addition, variation or repeal shall be effected

by a simple majority of the respective Houses or vote of no less than two-thirds of the total member of Parliament present and voting on a motion submitted by one-third of the members of either House, provided that the amendment does not undermine the functions and effectiveness of the Prison Division under the Royal Bhutan Police" was resolved to be deliberated in the Joint Sitting of Parliament.

Section 183 of Chapter 23 was amended as "The Dzongkha text shall be the authoritative text, if there exists any difference in meaning between the Dzongkha and the English text".

Section 184 of Chapter 23 was put in the Rules of Procedure.

3. The Local Government (Amendment) Bill 2009

The National Council deliberated thoroughly on the Local Government Act of the Kingdom of Bhutan 2007 and the Thromde Act of the Kingdom of Bhutan 2007 in its 2nd Session. Having merged the two bills to the Local Government (Amendment) Bill of the Kingdom of Bhutan 2009, it was forwarded to the National Assembly for endorsement as per Article 13.5 of the Constitution of the Kingdom of Bhutan. The National Council, after receiving the bill from the National Assembly further deliberated on it in the 3rd Session and made the following amendments:

Clause 3 of the Preamble, "Whereas, it is expedient to amend and converge the laws relating to Local Governments under one Act;" was deleted.

Section 2 of Chapter 1 was amended as "Upon enactment of this Act, the Local Government Act 2007, the Thromde Act 2007; **Dzongkhag Yargay Tshogdu Chathrim 2002; Gewog Yargay Tshogchung Chathrim 2002** and any law, bye-law, regulation, circular and order inconsistent with this Act shall be repealed."

Section 4 of Chapter 2 was amended as "Local Government shall comprise of:

- a) Dzongkhag Tshogdu;
- b) Gewog Tshogde; and
- c) Thromde Tshogde."

Section 179, 180 and 200 of the Bill were moved to Chapter 2.

A new clause, "Thromde Tshogde- As per the provision of the Constitution, Thromde must include Dzongkhag Thromde or Dzongkhag Yenlag Thromde" was added after Section 6.

The National Assembly amendment in Section 220, "Notwithstanding the provision of the of the Land Act, Royal Government shall, by an executive order, declare an area of Dzongkhag as Dzongkhag Thromde or area(s) of Dzongkhag Yenlag Thromde(s) based on the recommendations and criteria prescribed by the Ministry responsible for urban development" was resolved to be deliberated in the Joint Sitting of Parliament.

Section 226 (e) was deleted.

Section 223 was deleted and a new clause added, "The Thromde Tshogde shall be the highest decision making body of the Dzongkhag Thromde". The National Assembly changes in Section 225, ***Thromde Tshogde shall consist of** not less than seven and not more than ten elected members, including the Thrompon; ***** Where no Thromde Tshogde has been established the Thromde administration shall function under Dzongkha Administration or Gewog Administration. Such Thromde shall function in keeping with the policies, plans and rules and regulations approved by the Ministry responsible for urban development" were resolved to be deliberated in the Joint Sitting of Parliament.

Sections 7-24 of the Bill were put under Powers and Functions of Local Government.

Section 26 was amended as "Unless sooner dissolved, the Local Government shall continue for five years from the date of the first sitting, **which shall be convened** within thirty days of declaration of election results.

Section 28 - 32 of the Bill were deleted and replaced as, "shall be disqualified in accordance with the provisions of the electoral laws of Bhutan".

A new clause was added after Section 33 as "any disqualification under this Act or Electoral laws, during the election period, shall be decided by the Election Commission of Bhutan".

Section 36 was amended as "If the Chairperson is absent or if the member who intends to resign is the Chairperson, the letter of resignation shall be submitted to the officiating Chairperson/ Deputy Chairperson".

A new clause was added after Section 37 as "A Chairperson of the Dzongkhag Tshogdu may resign in the manner provided under Section ... but shall continue to be a member of Dzongkhag Tshogdu and Gewog Tshogde".

Section 39 was rephrased as:

A member of a Local Government shall be removed upon incurring any of the following disqualifications and in accordance with the procedures established by law, if he/she:

- (a) Becomes a registered member of a political party;
- (b) Engages in any party politics or activities;
- (c) Is convicted for a criminal offence and sentenced to imprisonment;
- (d) Marries to a person who is not a citizen of Bhutan;
- (e) Holds any office of profit under the government or public company or public corporation;
- (f) Acquires the citizenship of another country;
- (g) Brings disrepute to Local Government by personal conduct;
- (h) Non-attendance for more than two consecutive sessions of the Local Government without the leave of absence from authorized person; or
- (i) Commits any willful violation of the Constitution, provisions of this Act or any other law.

Section 40 (c) was amended as Disqualification or removal; and a new clause "a) **Dissolution of Local Government; or**" was added.

Section 41 and 42 were replaced as:

* Upon vacation of seat by a member, the chairperson or the deputy Chairperson, as the case may be, shall address a notice to the Election Commission of Bhutan immediately to issue a notification calling the constituency to elect a person for filling such vacancy. Provided that the remainder of the term is not less than one hundred and eighty days.

* Election to fill the vacant post shall be held within 30 days from the date of vacancy.

The National Council changes in Sections 44 and 45, **"The Local Government shall dissolve if two-third members are either removed or resigned"** were resolved to be deliberated in the Joint Sitting of Parliament.

The National Assembly deletion of Sections 55-63 was resolved to be deliberated in the Joint Sitting of Parliament.

The National Assembly amendment in Section 181, "The Dzongkhag Tshogdu shall, on a written request made by not less than two-third of the total number of members, have the authority to review and quash revoke resolutions, ordinances, rules and regulations promulgated by any Gewog Tshogde and Thromde Tshogde on the grounds that such bye-laws, resolutions or ordinances are against public interest" was resolved to be deliberated in the Joint Sitting of Parliament.

The National Assembly amendment in Section 183 (b), "Promote balanced economic development in the Gewogs and Thromdes in the Dzongkhag" was resolved to be deliberated in the Joint Sitting of Parliament.

The National Assembly amendment in the title of Section 184, "**Regulatory powers** and functions" was resolved to be deliberated in the Joint Sitting of Parliament.

The National Council amendment in Section 185 (c), "Monitor and evaluate implementation of plan activities in the Dzongkhag;" was resolved to be deliberated in the Joint Sitting of Parliament.

The National Assembly amendment in Section 186 (a), "Review and approve Dzongkhag's annual budget proposal prepared by the Dzongkhag Administration based on the approved five year plans the ceilings for submission to the Ministry of **Finance;**" was resolved to be deliberated in the Joint Sitting of Parliament.

Since the National Assembly amendment of Section 203 (c) as "Regulate allocation of irrigation water in accordance with the provisions of the Land Act of Bhutan;" was further amended by the National Council as "Regulate allocation of irrigation water in accordance with the provisions of the relevant <u>Land</u> Act of Bhutan", it was resolved to be deliberated in the joint Sitting of Parliament.

Clauses (a), (b), (j) and (k) of Section 204 were deleted. Clause (c) was amended as "Formulate the annual plans and five-year plan of the Gewog **for submission to the Royal Government;**" and Clause (l) as "Promote holistic and integrated area-based development planning".

Following clauses were added after Section 204:

- * Approve annual plans within the budget ceiling provided by the Royal Government;
- * Conserve and protect water sources, lakes, springs, streams, and rivers;
- * Prevent the depredation of crops by livestock and wildlife in accordance with the provisions of the Forest and Nature Conservation Act of Bhutan;

- * Ensure collection and deposit of premiums for rural insurance and such like schemes.
- * Encourage setting up of economic enterprises within the Gewog;
- * Accord approval for hiring and mobilization of labour for the upkeep of community facilities in accordance with the rules made by the Royal Government; and
- * Perform any other functions as may be prescribed by law.

The National Assembly addition of a new clause after Section 205, "Gewog Tshogde may mobilize, spend, and invest money for the support of its functions in accordance with the Royal Government's policies and rules and regulations" was resolved to be deliberated in the Joint Sitting of Parliament.

Section 207 was amended as "*Gewog Tshogde* shall appropriate and ensure collection of taxes specified in Section 52 of this Act not later than January of every year".

Section 230 (f) was deleted.

Section (a) was amended as "Formulate development plans **policies** and priorities in respect of the Dzongkhag Thromde" and (c) as "Identify such Provide civic and other services which are essential for the general well-being of the residents of a Dzongkhag Thromde".

The new section (i) added by the National Assembly as "Approve local area plan including land pooling schemes and any other relevant planning techniques; and (j) Authorize preparation of structure plans including land use plan and recommend for their approval by the Ministry responsible for urban development", was resolved to be deliberated in the Joint Sitting of Parliament.

Section 234 (a) was amended as "Frame and adopt rules, guidelines for enabling the *Thromde* to carry out its functions, relating to its affairs" and (f) "Enforce all laws and rules pertaining to the urban sector and exercise such powers as may be conferred upon them". A new clause under (f) "*Regulate and enforce appropriate land uses including non-conforming land uses and vehicles repair workshops, and building activity in the Thromde" was added.

Section 232 (b) was amended as "Approve and use its budget, grants, local fees, service charges, fines and local taxes"; and (f) as "Raise, borrow, spend, and invest money for the support of its functions *in accordance with laws, Royal Government's policies and rules and regulations*".

Under Section 233 (a) "*Betterment tax*" added by the National Assembly was resolved to be deliberated in the Joint Sitting of Parliament.

Under Section 233, new clauses were added as follows: "Thromde Tshogde shall, in exercise of its power under Section....., ensure that the fees and charges are:

- (a) Not excessive, oppressive, or confiscatory;
- (b) Not contrary to law, public policy, national economic policy, or in restraint of trade; and
- (c) Set at a level no higher than the cost of the most efficient method of providing the service" was amended.

The new Section added as "Any other functions conferred by the Ministry responsible for urban development from time to time" was resolved to be deliberated in the Joint Sitting of Parliament.

Section 64 was amended as "At the first sitting after any election, or when necessary to fill a vacancy, the Dzongkhag Tshogdu shall elect a Chairperson from among its members through secret ballot. A nomination shall be made from among the members, by any member and seconded accordingly. The Secretary of Dzongkhag Tshogdu **Dzongdag** shall preside over the election of the Chairperson of the Dzongkhag Tshogdu".

Section 65 was amended as "The member who receives highest number of votes cast shall be elected as the Chairperson of the *Dzongkhag Tshogdu*. In the event of two or more members securing equal number of highest votes, rounds of ballot shall be cast till one is elected as the Chairperson. In the event two or more members secure equal number of highest votes, re-election between the candidates securing equal number of votes shall be conducted. If at the re-election, the two candidates secure equal number of votes, draw of lots shall be conducted in the presence of members" and a new clause "A poll shall be held at an election of the Chairperson or Deputy Chairperson of the Dzongkhag Tshogdu, even if there is only one contesting candidate. The candidate shall be declared elected only if he/she secures in his/her favour a majority of the total valid votes cast" was added.

A new Section was added after Section 71 as "The Chairperson shall convene regular sessions of Local Government".

Section 188 was deleted.

The amendment made by the National Assembly in the heading of Section 211, "Powers and functions of Gewog Tshogde Chairperson and head of the Gewog" was further amended by the National Council as "Powers and functions of Gewog Tshogde Chairperson". Therefore, it was resolved to be deliberated in the Joint Sitting of Parliament. Clauses (d) (e) (g) (h) (i) and (j) of the Section were deleted.

Section 212 was deleted from the Bill.

A new clause under Section 235 was added as "Submit periodic reports to the Thromde Tshogde and to the Ministry responsible for urban development on the status of progress of work as well and the status of funds approved by the Thromde Tshogde for activities contained in the plan".

Section 236 was deleted.

Section 79 of the Bill deleted by the National Assembly was resolved to be deliberated in the Joint Sitting of Parliament.

Addition of new clauses after Section 81, "*The Thrompon shall serve as the Thromde Thuemi in the Dzongkhag Tshogdu wherever there is a Dzongkhag Thromde Tshogde and * In case of bigger Yenlag Thromdes with administrative machinery, Dzongkhag Tshogdu Thuemi from Yenlag Thromde shall liaise with it", was resolved to be deliberated in the Joint Sitting of Parliament.

Section 82 was changed as "A member of the Local Government shall declare his/her income, asset and liability and that of his/her dependent in accordance with the provisions of the Anti Corruption Act of Bhutan, and also furnish a copy to the concerned Local Government Secretariat". Section 83 was amended as "Members may file revised forms whenever any change occurs in the details of the affidavits *filed* under Section 82 and also at the end of their tenure as members of the Local Government".

Section 85 was amended as "Gewog Tshogde and Thromde Tshogde shall meet at least once every four months *for regular sessions at least thrice a year*".

Section 86 and 87 (2) were included in the Special Session.

Section 88 was put after Section 90 with amendment.

Section 89 was put under **Notice for sessions** after amendment.

Following were added after Section 91:

- * The Chairperson of the Local Government shall confirm the date of their sessions and ensure that their respective sessions do not coincide.
- * The Local Government Secretariat shall, upon confirmation of the date of the sessions under Section of this Act, issue notification inviting proposals from members for inclusion in the agenda.
- * The members of the Local Government shall, for the purpose of Section of this Act, call for zomdus in their respective constituencies.

Special Sessions

- * The Chairperson of a Local Government shall convene a special session of the Local Government on receipt of a written request made by not less than three-fourths of the total number of members of the respective Local Government.
- * The Chairperson of a Local Government shall convene a special session of the Local Government whenever he or she deems a matter to be of urgent nature.
- * The Chairperson of a Local Government may convene a special session of the Local Government if a written request is made by the Dzongdag specifying the purpose, proposed date and reasons of calling the session.
- * The Chairperson of the concerned Local Government shall, upon receipt of request made under Section..... of this Act, review the request and inform the concerned Dzongdag of his/her decision within two days of receiving the request.
- * The Chairperson of the Gewog Tshogde and Thromde Tshogde shall convene a special session if the Dzongkhag Tshogdu by a resolution directs it to convene a special session.
- * The Local Government shall consider only those matters for which has a special session has been convened or those inseparably connected thereto.

Notice for Sessions

* The Local Government Secretariat shall provide to all members of the Local Government reasonable notice period for a regular or special session. Such notice shall specify the place, date and time of the session and the business to be transacted thereat provided that in case of a special session such notice shall include any motion or proposition mentioned in the written request made for such meeting. First session after election

• The date of the first session of Dzongkhag Tshogdu after the first constitution or re-constitution shall be fixed by the Dzongdag and the dates for the sessions of Gewog Tshogde and Thromde Tshogde shall be decided by their respective Chairpersons.

Section 92 was changed as "The members of Local Government shall submit their certificate of election to the Local Government administration on any working day prior to the day on which the Local Government convenes for the first time after an election".

Section 93 was changed as "A certificate submitted under Section 92 of this Act shall be inspected by the head of administration of the Local Government **Dzongdag** to determine its authenticity and validity".

Section 94 was amended as "A certificate referred to under Section 92 of this Act, presented on a later date shall be inspected immediately and, thereupon such member shall be administered oath or affirmation *of Office* as prescribed under this Act *Third Schedule of the Constitution of Bhutan*".

The title of Section 96 was amended as "Oath or Affirmation of office" and the clause changed as "The Chairperson of the Local Government shall be administered Oath or Affirmation of Office by the Drangpon in the presence of the Dzongdag as provided for in the Third Schedule of the Constitution, prior to assuming their responsibilities".

Sections 97, 98 and 99 were put under the Chapter 'Conduct and Business':

Section 105 was amended as "Whenever necessary, the Chairperson may invite any government official or person as an observer during the sessions of the Local Government".

Section 110 was amended as "In case of any change in the day, time and programme of the sitting of a Local Government, the head of administration *Local Government* **Secretariat** shall serve notice to this effect to the members on the preceding day".

Section 111 was amended as "Only members *of the Local Government* shall have the right to vote".

Section 112 was rephrased as "The right to vote shall not be exercised by proxy and a member including the Chairperson is entitled to one vote per proposal".

New Sections after Section 119 were added as "Urgent Business".

- If the business proposed to be brought forward is ruled by the Chairperson to be of urgent nature, then such business shall be transacted at a regular or special session of the Local Government even though due notice of the business has not been given to its members; and
- Decisions:
- All questions shall, unless otherwise specifically provided, be decided by a majority of votes of the members present and voting".

Section 120 was amended as "The head of administration to the **Local Government Secretariat** shall maintain records of proceedings at each session".

Section 121 was deleted since it was similar to Section 90.

The new Section put after Section 121 by the National Assembly, "Modification or cancellation of resolution:

* No resolution of a Local Government shall be modified or cancelled within six months of its adoption, except by a resolution passed by not less than two-third of the total number of members of that Local Government" was resolved to be deliberated in the Joint Sitting of Parliament.

Section 122 rephrased by the National Assembly as "The Local Government Secretariat shall dispatch the final resolution within one week of its endorsement to all members of the Local Government, concerned Members of Parliament, Department of Local Governance, the concerned Dzongkhag Administration, Dungkhag Administration, Thromde Administration, Gewog Administration and/or the concerned national agencies" was resolved to be deliberated in the Joint Sitting of Parliament.

The new section after Section 122 added by the National Assembly as "**The Dzongkhag, Dungkhag, Thromde, and Gewog administrations and national agencies shall, within sixty days of receipt of resolution, submit a written report to the concerned local Government on the status of the implementation of the resolution**" was resolved to be deliberated in the Joint Sitting.

A new Section after Section 122 was added, "For the purpose of Section......, the Department of Local Governance, Ministry of Home and Cultural Affairs shall follow up and coordinate with the concerned Royal Government agencies where necessary".

Section 123 was merged with Section 119.

New Sections were added after Section 125, "Local Government shall announce the dates of their sessions through public media and other means" and "Local Government shall announce the call for tenders, award of contracts, value of contracts, and projects under implementation through public media".

Section 126 was amended as "All sessions of Local Government shall be open to members of their respective constituencies as observers **public to participate as audience** except for closed door sessions".

Section 127 was deleted.

Section 129 was put under **Miscellaneous Chapter**. The title of Section 131 was amended as "**Appraisal of the People Dissemination of Information**".

A new Section "A member shall have the right to be provided with information by the Royal Government and to inspect documents on any matter of relevance to the exercise of his/her mandates as a member of the Local Government" was added after Section 133.

Section 134 was amended as "A member shall, subject to the provisions of the Constitution, by virtue of their office **shall** have the right to speak freely in the proceedings of the Local Government or any Committees thereof".

Section 136 was amended as "In addition to Section 135 of this Act, No member of the Local Government shall be prosecuted or arrested for an offence without giving prior notice to the Chairperson when the Local Government is in session. without first informing the Chairperson".

A new section, "No acts and proceedings in which an elected candidate has participated as a member of the Local Government before his/her election is declared void, shall be invalidated by reason of that order, nor shall he/she be subjected to any liability or penalty on the ground of such participation" was added after Section 140.

Section 141 (d) was amended as "Intimidation of members to influence them in their conduct, **vote**, **opinion or judgment**"; (g) as "Deliberately giving false or misleading information to the Local Government in the execution of their official duties" and (i) as "Misconduct in a creating disturbance or disruption in the course of the proceedings of the Local Government".

A new Section "A breach or abuse of privilege or immunity provided for in this Act amounts to contempt of Local Government, and shall be dealt in accordance with Section of this Act" was added after Section 142.

The title of Section 144 was amended as *"Remuneration"* and the Section split into two:

- * A member of the Local Government shall be entitled to receive remunerations as may be determined by the Royal Government as per procedures in the Constitution; and
- * A member of the Local Government shall be entitled for daily allowances in accordance with the existing rules of the Royal Government while attending the session or any other official functions at the Dzongkhag headquarter.

A new Section after Section 144 was added, "A member of the Local Government is entitled to receive sitting fees for each day during the sittings of the Local Government".

Section 145 was amended as "The provision regarding daily allowances in this respect shall not apply when sessions of the Local Government are adjourned due to disorder caused by its members affecting the conduct of its business. *However, the members shall be paid daily allowances in such cases as per the established norms of the Royal Government*".

Section 146 was amended as "A deduction of the daily allowances **and sitting fees** of a member of Local Government shall be made for every day on which the member does not attend a sitting of Local Government for any reason, including suspension under this Act, except as provided under Section 145.without the prior approval of the Chairperson or when a member is suspended under this Act.

Provided that a member shall be eligible to receive daily allowances if after having signed the Roll of Members, he/she is unable to attend the sitting by reason of being ill and the leave of absence from the Local Government has been obtained".

Section 149 was amended as "A member of the Local Government shall be guided by

the highest standards of *ethical values and* moral principles; be patriotic and owe allegiance and loyalty to the Tsa-Wa- Sum".

Section 150 was amended as "A member of the Local Government shall not indulge in any activity that adversely *affects the security, sovereignty and integrity of the nation* the business of a Local Government and shall be responsible to the Local Government for his/her actions".

A new section "A member of the Local Government shall be duty bound to uphold the laws and to act on all occasions in accordance with the public trust placed in them" was added after Section 150.

The following new sections were put after Section 153:

- * A member of the Local Government shall conduct in a courteous and respectful manner, and refrain from using profane, offensive, vulgar and derogative expressions including the perpetration of physical force that is likely to disrupt or disturb the course of the proceedings.
- * A member of the Local Government shall, in the conduct of duties, resolve any conflict between their personal interest and the public interest in favour of public interest.
- * A member of the Local Government shall when reaching decisions have regard to any relevant advice provided to them by the Administration and Finance Division of the Local Government in pursuance of their duties.
 - A member of the Local Government shall hand over any document, monies or other properties belonging to the Local Government to his/her successor in office or other prescribed authority within thirty days of vacation of office.

Section 154 (d) was amended as "*Hold office of profit as specified in the Electoral Laws*" and following new clauses were added:

- * Violate the provisions of the Constitution;
- * Accept bribe, including any fee, gift, and compensation or reward in the discharge of his/her duty;
- * Act or refuse to act on grounds as may be specified in this Act or any law in force.

Section 156 was rephrased as "Only the spokesperson or the leader of the delegation so appointed shall give press statements and briefings during Local Government delegations to foreign countries".

Following Sections were added after Section 157:

* A member of the Local Government shall maintain confidentiality in cases where decision, document and deliberation should not be disclosed in the public interest.

Reporting on compliance of Code of Conduct

* A member of the Local Government or any person shall submit a written report to the Disciplinary Committee, as soon as it is practicable, if he/she reasonably believes that a member has failed to comply with the Code of Conduct.

Breach of Code of Conduct

* Breach of the Code of Conduct by a member of the Local Government shall be dealt with in accordance with this Act.

Section 258 was amended as "Committees shall be established by Local Government for purpose of specific functions *in accordance with the provisions of this Act*".

Section 159 was rephrased as "Members of a Committee shall be elected from amongst the members of the Local Government".

Section 160 was rephrased as "The Chairperson of a Committee shall be elected from amongst members of the Committee".

The following new Sections were added after Section 166:

- * The Ad hoc Committee shall stand dissolved upon presenting its opinion and recommendation to the Local Government.
- * Each Committee may have co-opted members from amongst officials from any national agency, ministry, department and regional office or the voters of the Thromde/Gewog on the basis of relevancy and need to the committee.
- * The Co-opted members shall be appointed under the authority of the Chairperson based on the recommendation of the Committee.
- * The privileges and liabilities of co-opted members shall be same as the members of the Local Government serving on the Committee.
- * The Co-opted members shall only serve for a period so determined by the concerned Local Government.

Since the new section added by the National Assembly after Section 172 was amended by the National Council, "*The Parliamentarians shall have access to information on implementation status of the developmental activities in their respective Constituencies*", it was resolved to be deliberated in the Joint Sitting of Parliament.

Section 173 was rephrased as "Officials of various sectors and agencies of the Government serving within the jurisdiction of a Local Government shall be administratively accountable to the head of the Local Government and technically to the concerned sector or agency".

Since the amendment of the National Assembly in Section 174 was further amended by the National Council, "The Gup and Thrompon shall submit timely report to Dzongkhag Tshogdu and the Dzongkhag Tshogdu in turn shall submit to the Department of Local Government and concerned Ministries and agencies through the Dzongkhag Administration", it was resolved to be deliberated in the Joint Sitting of Parliament.

The National Assembly amendment in Section 175, "**The Department of Local Governance under** the Ministry of Home and Cultural Affairs shall be responsible for coordination **pertaining to inter-local Government**, **between local Government and Central Government**.and facilitation of inter-Dzongkhag and Centre-Dzongkhag relations" was resolved to be deliberated in the Joint Sitting.

The National Assembly amendment in Section 176, "The Ministry of Home and Cultural *Affairs in consultation with concerned agencies* shall be empowered to

prescribe rules and regulations to support the implementation of this Act", was resolved to be deliberated in the Joint Sitting of Parliament.

Section 177 was amended as "The Ministry of Home and Cultural Affairs shall **along** with other relevant organizations, coordinate development of capacity and systems of Local Government. be responsible for capacity development of Local Governments. It shall further coordinate law and order issues and situations".

The National Assembly addition after Section 178, "The Ministry responsible for urban development shall supervise and monitor activities of Dzongkhag Thromdes" was resolved to be deliberated in the Joint Sitting.

Following were added after Section 178:

- * Dzongkhag Thromdes shall submit a copy of half-yearly and annual reports along with any other report to the Ministry responsible for urban development and other relevant agencies.
- * The Ministry responsible for urban development shall formulate national urban policies, guidelines, and standards, approve structure plans including land use plan of the Thromdes and carry out planning audits in the Thromdes.

Consultation by national agencies and offices

- * All national agencies shall conduct periodic consultations with a Local Government before any project or program is implemented in the jurisdiction of such Local Government.
- * All national agencies with project implementation functions shall coordinate with the Dzongkhag Administration and with the Local Government concerned in the discharge of their functions.
- * All national agencies shall involve Local Government both in the planning and implementation of national projects.

The National Council amendment in Section 8, "Local Government shall be entitled to levy, collect and appropriate taxes, fees, and fines in accordance with such procedure and subject to limitations as may be provided for by law", was resolved to be deliberated in the Joint Sitting of Parliament.

Section 9 was amended as "**Payment of taxes by** Local Government shall be exempted of taxes on their revenue and income be in accordance with the taxation laws".

Sections 10, 11 and 12 were merged and rephrased as "Local Government shall be allocated a proportion of the national revenue to ensure self-reliance and sustenance. To this end, Local Government shall receive annual grants from the Royal Government for undertaking plan programmes, activities, and managing and maintaining existing service infrastructures and delivery of services".

Section 15 was amended as "Local Government shall have the power to spend funds generated *from their local taxes, fees and fines, and from funds allocated by the Royal Government*" and clauses (a) to (d) were deleted.

Section 21 was deleted.

Section 22 was rephrased as "All monies apart from those received from the Royal Government shall be deposited in a separate account of the Local Government. Monies received from the Royal Government shall be operated through the Government Letter of Credit system".

Following new Sections were added after Section 22:

- * Local Governments' account shall be maintained and operated in accordance with the Royal Government's financial rules and regulations.
- * Local Government shall prepare and submit monthly accounts simultaneously to the Dzongkhag Administrations and Department of Public Accounts. In the case of Thromde Tshogde, such accounts shall be submitted directly to the Department of Public Accounts.

The new Section after 22 added by the National Assembly, "Local Government shall prepare and submit monthly accounts simultaneously to the Dzongkhag Administrations and Department of Public Accounts. In the case of Thromde Tshogde, such accounts shall be submitted directly to the Department of Public Accounts", was resolved to be deliberated in the Joint Sitting of Parliament.

Following Sections were added:

Local Government Secretariat

Dzongkhag Tshogdu Secretariat

* The Dzongkhag Tshogdu shall be supported by a Tshogdrung, who shall be a civil servant.

Gewog Tshogde Secretariat

- * The Gewog Tshogde shall be supported by the Gewog Administrative Officer, who shall be a civil servant.
- * Gewog Administrative Officer shall act as the Secretary to the Gewog Tshogde.

Thromde Tshogde Secretariat

- * Thromde Tshogde shall be supported by the Executive Secretary, who shall be a civil servant.
- * The Executive Secretary shall act as the secretary to the Thromde Tshogde

Functions of Secretariats

- * The above secretariats shall provide secretarial support to the Local Government, and provide advice to members of the Local Government and its Committee.
- * The above secretariats shall, as soon as possible, provide a copy of the agenda to members of the Local Government, concerned members of Parliament, and other relevant agencies.
- * The Dzongdag, Executive Secretary and Gewog Administrative Officer shall maintain systems to enable effective planning and accurate reporting of financial and service performance of the Local Government.
- * The Dzongdag, Executive Secretary and Gewog Administrative Officer shall ensure the effective and efficient management of the activities of the Local Government.

Section 167 was amended as "The head of administration **Local Government Secretariat** shall be responsible for writing and circulation of minutes and safe keeping of all records".

Section 168 was amended as "The head of administration **Local Government Secretariat** shall maintain a register called the Register of Declaration of Assets and Liabilities of Members based on information supplied by members pursuant to Section 82 of this Act. and the Roll of Members".

Section 169 was amended as "The administration of the Local Government **Secretariat** shall keep proper record of the **plan** proposals **and date of receipt of such proposals from the members**. for deliberations and their date of receipt".

Section 170 was amended as "The head of administration **Local Government Secretariat** shall compile and submit the agenda to the Local Government Chairperson for approval and circulation to all members and agencies concerned".

Section 171 was amended as "The head of administration **Local Government Secretariat** shall perform such other functions as may be determined by this Act or any other rules made under this Act".

Following were added after Section 171:

• The Local Government Secretariat shall keep records of all reports and resolutions passed by the Local Government and make it accessible for public inspection.

Other Functions

• The Local Government Secretariat including Dzongkhag Administration shall support the Disaster Management Committee during threatening disaster situation or declaration of disaster.

The new Chapter added by the National Assembly on "Local Government Administration" was amended by the National Council, **"There shall be Local Government Administrations which shall comprise the Dzongkhag Administration, Dungkhag Administration where necessary, Gewog Administration and Thromde Administration".** Therefore, it was resolved to be deliberated in the Joint Sitting of Parliament.

The National Assembly made amendment in Section 190 (b) as "Be responsible for the implementation of social and economic development policies, plans and programs of the Dzongkhag as **approved by the Government** resolved by the Dzongkhag Tshogdu. New clauses were also added after sub-section (i) as:

- * Coordinate between Dzongkhag, national agencies, Dzongkhag Tshogdu, Gewog Tshogde, and Thromde Tshogde;
- * Direct, supervise and monitor all activities of the Dungkhag and Gewog administrations;
- * Provide technical support to Gewog administrations

Allotment of Land to Local Government

* Local Government may apply to Dzongkhag Administration for allotment of Government land or Government reserved forests land in accordance with prevailing laws. In the case of Thromdes, all land falling within their jurisdiction shall be registered in the name of concerned Thromdes.

- * The Royal Government shall, with the concurrence of the concerned Local Government, be competent to allot Government land or Government reserved forests land to such Local Government either conditionally or otherwise.
- Notwithstanding above, no lease, sale or other transfer of any such immovable property by the Local Government shall be valid without the prior sanction of the Royal Government".

Therefore, it was resolved to be deliberated in the Joint Sitting of Parliament

New Section after Section 191 added by National Assembly was further amended by the National Council as "The Dzongdag shall be the representative of the Government in Dzongkhag, and * Any intra-ministerial transfer of the Dzongdags shall be done by the Ministry of Home and Culture Affairs in accordance with the Royal Civil Service Act of the Kingdom of Bhutan". Therefore, it was resolved to be deliberated in the Joint Sitting of Parliament

A new Section was added as "*Dzongdag shall be assisted by the Dzongrab".

Section 192 was amended as "The Dzongdag shall, consistent with the principle of **basic policy** of local autonomy, assist the Chairpersons and **local government** of Dzongkhag Tshogdu in carrying out his or her functions under this Act".

A new Section was added after 192, "The Dzongdag shall have administrative and financial control over all civil servants within the administrative jurisdiction of the Dzongkhag".

The addition made by the National Assembly in Section 194(b), "**Be responsible for** reporting to the Royal Government any serious shortcomings observed in the functioning of the Dzongkhag Tshogdu, Gewog Tshogde and Thromde Tshogde" was resolved to be deliberated in the Joint Sitting of Parliament.

Under Section194, following new clauses were added:

- c) Promote and maintain Driglam Namzhag in the Dzongkhag;
- d) Maintain peace, harmony and unity within the Dzongkhag;
- e) Be responsible for over all implementation of Dzongkhags annual plans and programmes within the approved budget allocation; and
- f) Submit annual report to the Government on the status of finance, achievement of plans and programmes including any short comings.

Section 195 was amended as "The Dzongdag may, **suo-moto or when referred by the Government, report on and** make recommendations to the government on matters relating to the efficient and effective functioning of the Local Government".

Section 196 was amended as "The Dzongdag shall attend **participate in** the sessions of the Dzongkhag Tshogdu and **Thromde Tshogde** as an observer as and when the Chairperson extends an invitation".

Since the new Section after 198 added by the National Assembly was amended by the National Council, "The Dzongdag shall organize relief measures during natural disasters and emergencies in coordination with the department of Disaster Management and the Local Government", it was resolved to be deliberated in the Joint Sitting of Parliament

The new Sections were added after Section 198, "Dzongdag may call for record of any Local Government meetings or extract of any statement of accounts or documents from any Local Government;" and "The Dzongdag shall be accountable to the Ministry of Home and Cultural Affairs on matters which are not within the jurisdiction of Dzongkhag Tshogdu".

The new section added by the National Assembly, "Dungkhag Administration:

- * Dungpa shall be the head of the Dungkhag Administration.
- * He shall be accountable to Dzongdag.
- * **Dungkhag Administration shall be supported by the civil servants**" was resolved to be deliberated in the Joint Sitting.

Section 213 was amended as "There shall be a Gewog Administration which shall be staffed by civil servants **and other employees**" and a new Section was added as "**Gup shall be the Chief Executive of the Gewog**".

Section 211 was amended as "In addition to the powers of the chairperson as provided under Sections 72-78, the Gup, as the Chairperson of the Gewog Tshogde and the head of the Gewog shall" and new clauses were added as "Chair the Gewog tender committee" and "Implement plan activities without delay in consultation with the public".

The title of Section 214 was amended as "Under the general supervision of the Gup, the Gewog Administration shall:" and a new sub-section added as "Assist Gewog Tshogde in planning five year and annual plans". Sub-Section (b) was amended as "Implement the annual plans and programmes approved by the Gewog Tshogde and the Government".

Section 215 was amended as "A Gewog Administrative Officer as a civil servant shall be appointed in accordance with the *Civil Service Act of Bhutan*. by the Royal Civil Service Commission".

Section 218 was put under Gewog Tshogde Secretariat.

Sub-Sections (a) to (i) were rephrased as follows:

A Gewog Administrative Officer shall;

- * Be responsible for personnel administration of employees of all government agencies within the jurisdiction of the Gewog unless specified otherwise; the smooth functioning of the Gewog Administration
- * Provide secretarial support to the Gewog Tshogde;
- * Be responsible for smooth functioning of the Gewog Administration in compliance with the government administrative and financial rules, regulations and procedures.

The National Assembly amendment in Section 219 was further amended by the National Council as "*Powers, and functions of Thromde Administration:*

* There shall be Thromde Administration for a Thromde staffed by civil servants, other employees and agencies". Therefore, it was resolved to be deliberated in the Joint Sitting of Parliament.

Section 230 was deleted.

Section 237 (a) to (e) and (l); and (o) till (q) were deleted and others put under Section 230.

Following new clauses added after Section 237 by the National Assembly were resolved to be deliberated in the Joint Sitting:

- * Carry out structure and land use planning within the Thromde and recommend their for approval by the Ministry responsible for urban development;
- * Carry out land pooling schemes in Thromdes and any other appropriate planning techniques approved by Thromde Tshogde;
- * Notwithstanding anything contained in the Land Act, 2007 or any law in force, approve all transactions and registration related to land and properties within the jurisdiction of Thromde and effect registration in the Thromde Property Register maintained by the respective Thromdes;
- * Administer regulations related to minimum plot size within the Thromde areas. Notwithstanding the provisions of the Land Act minimum plot size in Thromde in general shall be 13 decimals whereas in the planned areas the minimum plot size shall be as per the size specified in the approved local area plan;

Following new clauses were added under Section 237 Approve building drawings in accordance with codes, standards, rules, and laws and *Plan human resource development for Thromde including recruitment of personnel for specific projects on contract basis".

Section 238 was amended as "*The Executive Secretary as a civil servant shall be appointed in accordance with the Civil Service Act of Bhutan.*-Royal Civil Service Commission shall appoint a civil servant as Executive Secretary for Dzongkhag Thromde".

Section 239 was amended as "The Executive Secretary shall be the head of the Dzongkhag Thromde the Administration **of Thromde**".

The two new Sections after 240 added by National Assembly, "(a) Establish and maintain appropriate organizational structure for the Thromde administration and (d) Develop, adopt and disseminate a code of conduct for Thromde staff" were resolved to be deliberated in the Joint Sitting.

Similarly, following new sections under Section 18 added by the National Assembly, *"Offence for failure to declare conflict of interest:*

* A member who votes or fails to disclose his/her interest in contravention to Section of this Act shall be fined up to a maximum of ninety days' national daily minimum wage rate" and under "Penalty for breach of the Code of Conduct" (e) Removal from membership; Provided that the matters under sub-section (e) of this Section shall be dealt

in accordance with Section...... of this Act, were resolved to be deliberated in the Joint Sitting of Parliament.

Section 241 was deleted.

Section 129 was amended as "Chairpersons of Local Government shall publish an submit annual report to the sessions of Local Government which shall contain,

among others, the following:' and new sub-Sections on "* *Implementation status of planned activities* and added new clause as * *Financial statement of the preceding year*".

Section 129 (d) "list of all commercial investments and returns" deleted by the National Council, was resolved to be deliberated in the Joint Sitting.

Section 243 was deleted.

The amendment made by the National Assembly in Section 244: "A Local Government's rules of procedure shall be determined by Ministry of Home and Cultural Affairs and the Ministry responsible for Thromde may determine its rules of procedure in keeping with the provisions of this Act and other relevant laws;" was resolved to be deliberated in the Joint Sitting of Parliament.

Section 245 (a) was amended as "Rules regarding policies, procedures, administration, functions, powers, authority, obligations, finances, budget, revenue, tax, land management, and others with relation to and within the jurisdiction of the Local Government which are not specified under this Act but shall be in accordance with any other laws in force. Notwithstanding this, Local Governments' rules and regulations on finances, budget, revenue, and taxes shall be in accordance with the Royal Government's financial rules and regulations".

Section (c) was deleted and new clauses added as follows:

- * The protection of the public from nuisance;
- * The protection of public properties;
- * The protection, promotion, and maintenance of public health and safety; and
- * Minimizing the potential for offensive behavior in public places.

Following new Sections were added after Section 245:

- * The Local Government shall seek views from Dzongdag/relevant agency in framing rules and regulations. Provided that if the Dzongdag /relevant agency fail to act within thirty days the same shall be deemed as accepted.
- * The Dzongdag/relevant agency shall provide their views required under Sectionof this Act with a request for consideration in framing such rules and regulations
- * Local Government shall, as soon as practicable, after rules and regulations are made, give public notice of the making of the rules and regulations and ensure that it is available for inspection, free of charge, by members of the public:
 - a) At places it considers appropriate; and
 - b) In the electronic format where practicable.

Review of rules and regulations made under this Act

* The Local Government shall review rules and regulations made by it under this Act as and when required.

Rule making powers of Royal Government

* The Ministries responsible for the coordination of Local Government shall be empowered to prescribe rules and regulations that cut across Local Government. * If there is inconsistency in the rules and regulations made by the Royal Government and the rules and regulations made by the Local Government then the rules and regulations made by the Royal Government shall prevail.

Amendment

246. The amendment of this Act by way of addition, variation or repeal shall be effected by a simple majority of the respective Houses or vote of no less than two thirds of the total members of Parliament present and voting on a motion submitted by one third of the members of either House, provided that the amendment does not undermine the functions and effectiveness of the Local Government.

A new Section was added after Section 247 as "Gup" means Executive of the Gewog".

(14th day of the 5th month of the Female Earth Ox Year corresponding to July 6, 2009)

4. Amendment of the Livestock Act of the Kingdom of Bhutan 2001

The Livestock Act of the Kingdom of Bhutan 2001 was deliberated in the National Assembly during its 2nd session of the first Parliament and had been received by National Council for endorsement. This was thoroughly deliberated during the 3rd session of the National Council.

The Chairperson of the Social & Cultural Affairs Committee, Tashi Wangmo said that Section 16.5 of Chapter VII of the Livestock Act of the Kingdom of Bhutan which stated that "The Ministry shall prohibit slaughter of animals and ban sale of meat on the auspicious days of 8th, 15th and 30th; on the 4th day of the 6th month; on the descending day of Lord Buddha and during the whole of 1st and 4th months of the Bhutanese calendar" had been amended by the National Assembly as **"The Ministry shall prohibit slaughter of animals and ban sale of meat only on the auspicious days of 8th, 15th and 30th and on the 4th day of the 6th month and should be allowed during other months"**

She informed the House that the amendment of the clause by the National Assembly was based on the following:

- 1. Hoteliers and the general public resorted to stocking meat for sale and self consumption a month before the ban was due. This led to slaughtering of animals thereby shortening their life by a month. Thus, it was amended to lengthen the lives of the animals and reduce slaughtering of animals;
- 2. Meat vendors often resorted to selling rotten meat during the prohibited months. This posed risk to people's lives through food poisoning; and
- 3. While the meat vendors were prohibited from selling meat, they still had to pay rent for their stalls and thus bear financial loss during the banned months.

The Hon'ble Member from Wangduephodrang submitted that the Social & Cultural Affairs Committee, on meeting with the meat vendors, consumers and the concerned authorities in 12 Dzongkhags on the sale and consumption of meat, had been informed by Bhutan Agriculture & Food Regulatory Authority (BAFRA) that people in the past preserved meat for consumption during the banned period that led to an increase in the slaughter of animals. However, since 2008 animal slaughter had

drastically reduced and the Bhutanese public were now beginning to abstain from consuming meat during the banned months.

Similarly, during the two ban months, 95% of the meat vendors stocked meat hygienically in refrigerators at temperatures lower than 18 degree Celsius. Further, of the 45 meat vendors interviewed, 84% of them said that since they sold an increased amount of meat in the preceding months, they did not run into any loss. About 15% of the meat vendors said that even if their business transactions were low, they still did not run into losses.

On this, the Hon'ble Members from Bumthang, Trongsa, Thimphu, Pemagatshel, Paro and Hon'ble Member Kuenlay Tshering submitted the following:

- 1. Both historically and from Buddhist perspective, the fourth and the sixth months of the Bhutanese calendar were intricately linked with Lord Buddha and were thus deemed auspicious months. A decree banning the sale of meat was issued by Desi Jigme Namgyel in the 16th century and a similar decree was issued by His Holiness the Je Khenpo Trulku Jigme Choeda in 2008 during these two months. Thefore, the amendment was in violation of these decrees;
- 2. As per the submission of the Social & Cultural Affairs Committee, a study carried out by BAFRA revealed that since the meat vendors preserved meat hygienically in refrigerators, they did not pose any threat to consumption; and
- 3. Since meat vendors were able to sell enough quantity of meat prior to the banned months, earn substantial amount of profit and did not pose threat to their sustenance, they submitted that the meat ban be kept as it was.

The Hon'ble Member from Lhuentse said that while the sale of raw meat was actually banned during the 1st, 4th and other auspicious months, there was no ban on the sale of cooked meat. He argued that the ban should also be imposed on sale of cooked meat as curry during lunch, dinner and public functions or gatherings. However, some members felt that serving meat curry during religious ceremonies and rituals should be strictly in keeping with the decree of His Holiness the Je Khenpo. Further, they submitted that imposing restrictions on hoteliers and restaurant owners might pose problem as it would affect their business.

In view of the above reasons, the National Council did not accept the amendment proposed by the National Assembly and therefore, resolved to retain the Livestock Act of the Kingdom of Bhutan 2001 as it was. Further, it was resolved to implement the decree issued by His Holiness the Je Khenpo on the ban of serving meat during lunch and dinner on special occasions during the auspicious months.

5. The Co-Operatives (Amendment) Bill of the Kingdom of Bhutan, 2009

The Hon'ble Member from Mongar informed the House that the Co-operatives (Amendment) Bill of the Kingdom of Bhutan 2009 had been drafted to enable rural farmers to enhance their livelihood and boost income through collective efforts and that eight years after having it passed, the National Assembly, during the 2nd session of Parliament in 2008, had reviewed it to suit the current needs.

When the Act was initially passed, it was decided to keep it under the purview of Ministry of Home & Cultural Affairs (MoHCA). However, considering its operational modalities and the benefits that it accrued, the National Assembly had transferred it to the Ministry of Agriculture and accordingly made the following amendments:

That this Act shall:

- 1. Be called the Co-operatives (Amendment) Act of the Kingdom of Bhutan 2009;
- 2. The Co-operatives (Amendment) Act 2009 shall come into force on the 12th day of the 11th month of the Male Earth Rat Year corresponding to 8th January 2009;
- 3. Sub-section 2 of Article 2 of the Co-operatives Act of the Kingdom of Bhutan 2001 was amended as, "The Primary Co-operatives means the first level of co-operatives under this Act formed either by individual farmers, individual non-farmers, farmer's group, whose main purpose is the provision of quality products and services to satisfy the economic needs of the members and their communities".
- 4. Sub-section 12 of Article 2 of the Cooperative Act 2001 was amended as, "Rulemaking through consultation means the power and responsibility entrusted to the Ministry of Home Affairs (MOHA) Ministry of Agriculture (MOA) to implement this Act by issuing implementing rules after consultation with stakeholders".
- 5. After Article 2, sub-section 19 of Section 2 of the Co-operatives Act 2001, the following Article was added: "(20) Farmers group means a group of not less than three members deriving economic benefits from one or more economic enterprises related to Renewable Natural Resource Sector".
- 6. Sub-section 5 under Section 2 of the Co-operative Act 2001 was amended as, "The Ministry of Home Affairs (MOHA) Ministry of Agriculture (MOA) is mandated to implement this Act. It shall discharge the following regulatory powers and responsibilities."
- 7. Similarly, it was resolved that those phrases that read as "The Ministry of Home Affairs" in all the Articles of the Co-operatives Act 2001 should be replaced by "The Ministry of Agriculture".

The Hon'ble Member from Zhemgang said that the Act covered only those works and activities related to the Ministry of Agriculture and excluded those such as the textile and wood works. Therefore, she requested that the Act be kept as it was without any amendment. However, the Hon'ble Member from Gasa submitted that since the amendments made by the National Assembly, both in Dzongkha and in English, contained explicit terms ranging from "individual non-farmers" to "farmer's groups," he supported the amendments.

Further, Hon'ble Kuenlay Tshering said that while the Act did not have any serious shortcomings, the word 'Article' could be used only in the Constitution of the Kingdom of Bhutan. Therefore, he submitted that these be changed to 'sections' in the Act. Similarly, the Hon'ble Member from Pemagatshel felt that the entire Act needed to be reviewed to avoid confusions in the future.

On this, the National Council resolved to pass the Act as amended by the National Assembly.

6. Zhapto-Lemi Chathrim (Repeal) Bill of the Kingdom of Bhutan, 2009

The Hon'ble Member from Thimphu submitted that during its 2nd session, the National Assembly, considering the difficulties faced by our rural farmers while providing Zhapto-Lemi, had repealed the Act. But in accordance with some provisions of the Act, people had to still provide the labour contribution. She said that it would indeed be of

much relief to the rural people if the requirement to contribute labour could be done away with to which Hon'ble Member Kuenlay Tshering agreed.

The Hon'ble Member from Trashigang said that in view of the extreme difficulties that Zhabto-Lemi posed to our farmers, the National Council during its 2nd session deliberated extensively on it and according to Section 10 of the Resolution had resolved the following:

- 1. To call upon the government to create an equitable and just system of Zhapto-Lemi;
- 2. The National Council to provide a set of recommendations to the government; and
- 3. To ask the government to report on the initiatives it had taken on Zhapto-Lemi.

On the second resolution with regard to the recommendations, the National Council had offered two options. Firstly, to abolish Zhapto-Lemi and secondly, to ask the government to allocate financial resources to ensure that those activities which were earlier done through Zhapto-Lemi were not stalled in the process.

The National Council noted that though the National Assembly had repealed the Zhapto-Lemi Chathrim, it had yet retained three important sections for continued implementation. It appeared as if the National Assembly had amended rather than repealing the Act. Therefore, the National Council resolved to accordingly submit its disapproval to the National Assembly.

7. Waste Prevention and Management Bill 2008

7.1 Introduction by Chairperson of the Natural Resource and Environment Committee

The Hon'ble member from Lhuentse submitted that Bhutan was admired for its external beauty, happiness within the country and the pristine environment which in turn had helped in the development of our tourism industry. He said that Bhutan would turn into a desert if the natural environment was not taken care at all times.

He said that the production of waste from the day to day development activities needed to be prevented and managed at the outset through various ways and means so that the environment could be kept intact. He said that the draft Waste Prevention and Management Bill of the Kingdom of Bhutan 2008 was one of the measures towards managing waste production.

He informed the House that the National Environment Commission had drafted the Waste Prevention and Management Bill of the Kingdom of Bhutan 2008 in keeping with the resolution of the 86th Session of the erstwhile National Assembly. The Bill had been drafted by a Committee consisting of 11 members from relevant Ministries, departments and organizations after consultations with the stakeholders from Trashigang, Trongsa, Wangduephodrang and Phuentsholing.

Further, he said that in order for the Bill to be user-friendly, it had been drafted in collaboration with the High Court. The Bill had been also thoroughly discussed in the Cabinet and submitted to the Parliament for adoption. It had been deliberated in the National Assembly in its 2nd session and forwarded to the National Council along with amendments for adoption.

7.2. Amendments to the Bill

The National Council thoroughly deliberated on the Bill from 6th - 13th July, 2009 and made the following amendments:

The title of the Bill was amended as "Waste Prevention and Management Bill of Bhutan, 20089".

The Preamble was amended as follows:

Being mindful of the adverse impacts of unmanaged waste on the fragile ecology ecosystem of the country;

Protecting the environment and human health through sound management of waste in pursuit of Gross National Happiness and the age old tradition of living in harmony with nature;

Acknowledging every citizen's duty to preserve, protect and respect the environment, culture and heritage of the nation as enshrined in the Constitution;

Ensuring sustainable development and inter-generational equity through conservation and enhancement of quality of the environment for the benefit of future generations; and

Aiming at prevention and reduction of volumes of waste generation, promotion of segregation, reuse, recycling and management of waste in an environmentally sound manner;

The Parliament of the Kingdom of Bhutan do hereby enact the Waste Prevention and Management Act at its **3rd session** of the Parliament as follows:"

Section (a) of Chapter 1 was amended as "Be called the Waste Prevention and Management Act of Bhutan, 20089", and (b) "Come into force six months after the **Parliament passes it** on theday of themonth of the **Female** Earth Rat **Ox** Year of the Bhutanese calendar, corresponding to theday.... 2009".

The title of Section 6 of Chapter 2 was amended as "**Fundamental right and duty**" and the Section amended as "A person has the fundamental right to a safe and healthy environment with equal and corresponding duty to protect and promote the environmental wellbeing of the country as enshrined in the Constitution of the Kingdom of Bhutan".

Section 10 of Chapter 2 was amended as "A person polluting the environment or causing ecological harm shall be responsible for the costs of avoidance, containment, abatement, medical compensation, mitigation, remediation and restoration restitution".

Section 13 (a) of Chapter 3 was amended as "Implementing agencies shall prevent manufacturing of products **with the** potential to generate hazardous waste. The agencies shall also ensure that the reduction, storage, treatment, and disposal of hazardous waste are addressed in an environmentally sound manner. In doing so, agencies shall:"

The English version of Section 28 (b) of Chapter 7 was amended.

Section 44 of Chapter 10 was replaced by the following sections:

Offence of felony

44. A defendant shall be guilty of the offence of importing hazardous waste, disposal of hazardous waste in public places and dumping of hazardous waste into water bodies, land and emission of hazardous gases pollutants and shall be strictly and absolutely liable to compensate all affected and to be sentenced in accordance with the Penal Code of Bhutan:

- (a) The offence of importing of hazardous waste into the territory of Bhutan shall be:
- (i) A felony of fourth degree;
- (ii) A felony of the third degree, if it creates a substantial risk of causing serious physical injury to human health and/or serious harm to the environment;
- (iii) A felony of the second degree, if it causes serious physical injury to human health and/or serious harm to the environment;
- (iv) A felony of the first degree, if it results in death and/or severe damage to the environment.
- (b) The offence of disposing hazardous waste in public places shall be:
- (i) A felony of fourth degree;
- (ii) A felony of the third degree, if it creates a substantial risk of causing serious physical injury to human health and/or serious harm to the environment;
- (iii) A felony of the second degree, if it causes serious physical injury to human health and/or serious harm to the environment;
- (iv) A felony of the first degree, if it results in death and/or severe damage to the environment.
- (c) The offence dumping of hazardous waste into water bodies, land and emission of hazardous gaseous pollutants into the air shall be:
- (i) A felony of fourth degree;
- (ii) A felony of the third degree, if it creates a substantial risk of causing serious physical injury to human health and/or serious harm to the environment;
- (iii) A felony of the second degree, if it causes serious physical injury to human health and/or serious harm to the environment;
- (v) A felony of the first degree, if it results in death and/or severe damage to the environment.

Section 45 of Chapter 10 was deleted.

The English version of Section 46 of Chapter 10 was amended.

The title of Section 47 of Chapter 10 was amended as "**Violation**" and the English version was accordingly amended.

Section 56 of Chapter 11 was amended as "A Court of law or any specialized court or tribunal which may be established by the Royal Government **Parliament** of Bhutan having jurisdiction shall hear cases arising under this Act and implementing regulations".

Section 57 (2) of Chapter 11 was amended as "Agency includes municipal bodies under the Thromde Act 2007 Local Government Act 2009, or any ministry, department, Corporations, Civil Society Organizations or autonomous public body of the Royal Government of Bhutan including local government entities or Companies incorporated under the Companies Act 2000", (10)"amendment made in Dzongkha", (21) "deleted from the Section", (22) as "Thromde means a township as defined in the Local Government Act 2009. large urban area as defined in the applicable Thromde Act" and (25) as "Local Authority means the local offices of the Implementing

Agencies listed in Section 21 of the Waste Prevention and Management Bill including Royal Bhutan Police and Dzongkhag Environment Committee".

(16th Day of fifth month of Earth female ox year corresponding to 08/07/09)

8. The Standards Bill of the Kingdom of Bhutan 2009

8.1 Deliberations on the Bill

The National Council thoroughly deliberated on the Bill from 8^{th} - 13^{th} July 2009 and made the following amendments:

The English version of Section 1 (b) of Chapter 1 was amended as "Come into force on the _____ day of the _____ month of the **Female** Earth Female Ox Year of the Bhutanese Calendar corresponding to _____ day of the _____ month of 2009".

Section 3 of Chapter 2 was amended as "There shall be a Bhutan Standards Bureau which shall be **an autonomous** body corporate by the name aforesaid, having perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract and shall by the said name sue and be sued".

Section 4 (g) of Chapter 2 was amended as "Oversee the implementation of the World International Trade Organization (WTO) Agreement on Technical Barriers to Trade (TBT) related to standards and technical barriers to trade".

Section 5 of Chapter 2 was replaced by the following:

- (a) Minister of Economic Affairs as the Chairperson;
- (b) One member nominated by the Ministry of Economic Affairs;
- (c) One member nominated by the Ministry of Works and Human Settlement;
- (d) One member nominated by the Ministry of Agriculture;
- (e) One member nominated by the Ministry of Labour and Human Resource;
- (f) One member nominated by the Ministry of Health;
- (g) One member nominated by the Ministry of Information and Communication;
- (h) The head of the Bureau who shall be the Member Secretary of the Bureau; and
- (i) Not more than 5 members appointed by the Chairperson representing industry, scientific and research institutions, consumer interests and other interests who shall posses knowledge of standards or other matters likely to be assistance to the Bureau in the performance of its functions under this Act.

Section 7 of Chapter 2 was amended as "7. The Minister shall, on the recommendation of t The Royal Civil Service Commission **shall** by public notice, appoint a person suitably qualified, scientifically and technically, as the Head of the Bureau who shall be the Chief Executive Officer of the Bureau, subject to the general superintendence of the Bureau".

Sections 8, 10, 11, 12, 13 and 14 of Chapter 2 were deleted.

Section (r) of Chapter 3 was amended as "Oversee implementation of WTO TBT international trade agreement provisions related to standards including operation of TBT National Enquiry Point" and (z) as "Establish, in consultation with the Royal **Government**, branches, offices or agencies in Bhutan or outside".

Sections (18) and (19) of Chapter 3 were deleted.

Section 21 of Chapter 4 was amended as "The Bureau may, by order, grant, renew, suspend or cancel a license for the use of the Bhutan Standards Certification Mark in such manner as may be determined by regulations".

Section 23 of Chapter 4 was amended as "Any person aggrieved by an order made under Sections (21) and (22) may prefer an appeal to the Appellate Board comprising of such members representing industry, scientific and research institutions, consumer interests, law and other interests, appointed by the Minister Chairperson who shall possess knowledge of standards or other matters likely to be of assistance, within such period as may be prescribed in the regulations".

Section 28 of Chapter 5 was amended as "The Head may, out of the funds of the Bureau, and with the consent of the Minister **Chairperson** authorize the".

Section 29 (a) of Chapter 5 was deleted and (b) amended as "such other statements of account as may be necessary to indicate the financial status of the Bureau as at the end of that year".

Section 31 of Chapter 6 was amended as "The Bureau shall submit to the Minister **Chairperson** all such information as he may from time to time require in respect of the activities and financial position of the Bureau".

Section 32 of Chapter 6 was amended as "The Bureau shall as soon as practicable after the end of each financial year submit to the Minister Chairperson an annual report on its activities including a balance sheet and a statement of income and expenditure audited in accordance with Audit Act of Bhutan in force, and such other particulars as the Minister Chairperson may request, and such report shall be presented by the Minister Chairperson before the Parliament".

Section 33 of Chapter 6 was amended as "The Annual report shall be published by the Bureau in such manner as it may deem necessary".

The English version of Section 34 of Chapter 6 was amended.

Section 42 of Chapter 6 was amended as "A person who willfully contravenes Sections (34) to (38) shall be guilty of an offence punishable with **under the Industrial Property Act**. imprisonment for a term which may extend to one year or with a fine which may extend to fourteen months of the daily minimum national wage rate".

The title of Section 45 of Chapter 6 was amended as "**Jurisdiction of the courts**" and the Section was amended as "No court subordinate to that of **A** District Court **shall have jurisdiction** specially<u>empowered in this behalf shall</u> **to** try any offence punishable under this Act".

Section 48 of Chapter 6 was amended as "The Minister Chairperson, after consultation with the Bureau may make regulations for carrying out the provisions and purposes of this Act. Without prejudice to the generality of this Section, the regulation may include, but not limited to, the following:"

Sections (49) and 52 (n) and (q) were deleted.

(16th & 17th day of the 5th Month of Female Earth Ox year corresponding to 8th & 9th July 2009)

9. Tobacco Control Bill of the Kingdom of Bhutan 2009

9.1. Amendment and Changes on the Bill.

The National Council on 8th and 9th July 2009, thoroughly deliberated on the Bill and made amendments as follows:

The title of the Bill in the Dzongkha version was amended.

The Preamble was amended as:

"The Royal Government and People of Bhutan *Concerned* with the physical health and well being of the people of Bhutan which are important elements of the development principle of Gross National Happiness,

Recognizing the harmful effects of tobacco consumption and exposure to tobacco smoke, from a spiritual and social health point of view,

Recalling that the National Assembly of Bhutan during the 82nd session held on 12th August 2004 ratified the WHO Framework Convention on Tobacco Control (FCTC),

And Acknowledging that as a party to the WHO Framework Convention on Tobacco control, Bhutan is implied by its provisions to implement it through national legislation and policies to fulfill the obligations, and

Section 3 (f) of Chapter 2 was amended as **"Public transportation**: all buses and taxis, all forms of motor vehicles and aircrafts for passenger transport; **and**"

In Section 11 (c) of Chapter 3, the phrase "sell tobacco and tobacco products" was replaced by "sell tobacco to youth of 18 years and below".

Section 12 of Chapter 3 was deleted.

Section 13 of Chapter 3 was amended as "A person importing tobacco and tobacco products for personal consumption shall pay duties and taxes as specified by the Government per the concern Act".

The phrase "for personal consumption" was deleted from Section 14, 15 and 16 of Chapter 3.

Section 24 of Chapter 7 was deleted from the Bill.

Section 26 (b) of Chapter 7 was amended as "Board shall have the authority to designate smoking rooms/areas in public places under Section (3), from time to time."

Section 31 of Chapter 8 was amended as "The Office may employ such staff as maybe approved by the Tobacco Control Board per the Royal Civil Service Commission Act".

Section 33 (b) of Chapter 9 was amended as "carry out research on the ill effects of tobacco consumption on health; **and**"

Section 34 (a) of Chapter 9 was amended as "ban production **and** manufacturing and sale of tobacco and tobacco products in the Kingdom; **and**"

Section 35 (b) of Chapter 9 was amended as "enforce as per the provision of this Act Section 13 of this Act" and added new clause as "Increase the tax of selling tobacco".

In Section 43 of Chapter 10, (1) (a) was amended as "at any reasonable time enter and inspect any place where he/she believes tobacco and tobacco product is manufactured, prepared, packaged, **and** stored for distribution or for sale; any individual, shop, vendor, market, shopping mall, supermarket, factory, hotels, motels, inns, lodgings, restaurants, business center or any other place where he believes tobacco and any tobacco products are **illicitly** sold;" (e) "for the purpose of carrying out effective search operation, stop or detain any vehicle in which he/she believes that any tobacco product is being **illicitly** conveyed/imported," (f) "detain and seize **illicitly** tobacco products for such time as may be necessary or as recommended by the Tobacco Control Board," and (2) as "An Authorized Officer acting under this Section may, if so required, **shall** produce his/her authority/identity card".

Section 48, 49 and 51 of Chapter 11 were deleted.

Section 60 (k) of Chapter 12 was amended as **"Thromde"** means a large urban area or a municipality **as defined in the Local Government Act 2009**. with a minimum population of 5000 people in which more then 50% of the population is dependent on non-primary activities and having the potential to sustain its service through its revenue such as tax".

(15th & 29th Day of the 5th Month of the Earth Female Ox Year corresponding to 07/07/09 and 29/07/09)

10. Amendment of the Marriage Act of the Kingdom of Bhutan 1980

The Chairperson of the Social & Cultural Affairs Committee submitted that the Marriage Act of the Kingdom of Bhutan 1980 had been reviewed solely because of the changing behavior of the modern youth. She said that the divorce cases had become prevalent due to drugs and substance abuse. Moreover, in the consultation meetings with the concerned Ministries, agencies and the public, most of the people had raised issues concerning marriage.

The earlier provisions on gender equality enshrined in the Act had been amended during the 74th, 83rd and 84th sessions of the erstwhile National Assembly. However, in keeping with the provisions of the Constitution of the Kingdom of Bhutan and the changing behavior of the youth, she said that ten sections of the Act related to substance abuse and divorce needed further amendment.

10.1. Amendment on the Bill

The National Council thoroughly deliberated on the Act on 07/07/09 and 21/07/09 and made the following amendments:

Kha 3-30 was amended as "In a case involving a married woman **person** and a religious celibate in adultery, a submission in the form and manner "cha" set forth in the Schedule shall have to be forwarded by the local village headman and his assistant **gup/thrompon and other members of the Gewog/Thromde Tshogde** after due consultation to with the nearest court of law. Thereafter, the court shall sentence both the offenders to six months rigorous imprisonment. And such a sentence shall not be remitted by payment of a fine or by any other compromises. But if the village headman and his assistant When the gup/thrompon and other members of the Gewog/throm the sentence shall not be remitted by payment of a fine or by any other compromises. But if the village headman and his assistant When the gup/thrompon and other members of the Gewog/throm the submit a report of such and adultery, then they shall

be **liable for petty misdemeanor.** punished with a term of imprisonment extending to three months each or in lieu a fine stipulated by the court. "

Kha 7-2 was amended as "In any proceedings under this Act where a **the case of married** couple having children have granted **getting** a divorce, **children under the age of 9 years shall remain under** the custody of the children not attaining the age of nine years shall be given to the mother **unless the court finds compelling reasons to order otherwise**.

Compelling reasons by which a mother can be deprived of custody include "neglect, abandonment, unemployment and immorality, habitual drunkenness, drug addiction, maltreatment of the child, insanity, affliction with communicable illness, and any other ground that the court determines."

In such a case, the custody of a child may be given to the other parent or to a third person or recognized organization established under Civil Society Organization Act in the best interest of the child.

The court shall determine the frequency and conditions under which the other parent(s) may meet with the child/children".

Kha 7-6 (2) was amended as "For finding out the costs incurred for a marriage, the amount determined by the village headman or member of the Assembly (CHIMI) or by a minimum of three impartial witness gup/thrompon and two other members of the Gewog /Thromde Tshogde not related to either of the parties to the marriage shall be accepted".

Kha 7-6 (3) was amended as "However, in any case the limitation for the claims of for such expenditure shall not exceed three thousand Ngultrums 20% of one year's income of the payee".

Kha 1-8 "Notwithstanding the number of years that have elapsed since a marriage has been contracted, a couple shall only be recognized as a legally married couple from the date of acquiring a Marriage Certificate from a Court of law (Amendment to Section Kha 1-5 of THRIMSHUNG 1957), new clauses were added as follows:

However, the couple may be granted a back dated the marriage certificate upon paying the following fines to the court by both parties together:

- a) Ngultrum two hundred for less than three years of marriage without the marriage certificate.
- b) Ngultrum four hundred for three to seven years of marriage without the marriage certificate.
- c) Ngultrum six hundred for more than seven years of marriage without the marriage certificate.

Section Kha 8-24 was amended as:

(1) If as mentioned in the aforesaid Section, a person abducts a woman after making her unconscious or by influencing her mind by the use of medicines or drugs, and if that woman is subsequently traced out, then that offender shall be punishable with a term of imprisonment extending from one month and shall have to bear all costs incurred in the search of that woman. In addition, that offender shall have to pay the said woman and amount of Ngultrums five hundred to Ngultrums one thousand as damage liable for a felony of fourth degree as prescribed in the

Penal Code of Bhutan. Such compensation shall be paid to the victim as determined by the court in accordance with the Penal Code of Bhutan.

(2) And if in such a search, the abductor only is caught and the woman who had been abducted is not found, then that offender shall have to restore all the properties taken by that woman who had been abducted, and shall be punished also with a term of imprisonment extending from one year to seven years if proven, in addition to the above penalty.

But in the event of that woman returning whilst that offender is serving the term of imprisonment, then that offender shall have to pay the estimated value of the properties that have been utilised by the said woman and after serving three years of the prison term, the remaining prison sentence shall be remitted.

The last paragraph was deleted and resolved to be put in the Penal Code of Bhutan.

Kha 8-6 was amended as "If any person causes a dispute between a couple who are innocent of committing any misdemeanour offence or brings a false allegation of a misdemeanour an offence on the part of either of the parties to cause a divorce between them, then such a person shall be punished with a term of imprisonment extending from one month to six months or with a fine amounting from Ngultrums one hundred fifty to Ngultrums nine hundred ro with both, depending upon the gravity of the offence causing rift between a married couple by making false allegations shall be liable under relevant provisions of the Penal Code of Bhutan".

Kha 8-7 was amended as follows:

- (1) If a woman married person who had consented to have illicit relations with one or two men/women is injured because of the act of several other men/women several other men also having enjoyed her, then in such a case, a report shall have to be submitted to the local Court of law or village elders competent jurisdiction or Gewog/Thromde Tshogde members within twenty-four hours of the incident, excluding the time taken for making the journey to submit the report; and
- 2) If that woman who had been used for immoral purpose is not of a loose, immoral character, than that person who had procured her and each of those men involved in an immoral act with that woman shall have to pay Ngultrum fifty to Ngultrum two hundred to that woman, depending upon the gravity of each of their individual faults; in addition each of those men in the act, excepting that procurer, shall have to deposit with the Court in the form of a fine a sum equal to double the amount paid as damages to that woman, but that procurer shall have to pay a sum equal to double the amount paid by the other offenders as damages and fines.

In such a case, the person who procures her/him and each of those involved in the immoral act shall be guilty of gang rape and shall be liable for sentencing as per the Penal Code of Bhutan.

The person who procures her/him should be charged with deception as per the Penal Code of Bhutan. He/she and the members of the group shall also pay gaw to the other partner.

Kha 8-8 (1) was amended as "If such a woman succumbs to her injuries when committing such an act, then that person who had procured her and those persons involved in the act shall be have to each pay the stipulated amount as prescribed in

the section of liable for culpable homicide under the Penal Code of Bhutan as and make contribution towards the expenses for the last funeral rites for that woman".

Kha 8-17 was amended as "If any man person without deserting his/her wife spouse keeps another woman spouse as his/her mistress partner, and if it is proven that the existence of the spouse has been kept secret from the partner and vice versa, the husband/wife shall be guilty of deception of two persons and shall be liable for penalties as prescribed in the Penal Code of Bhutan.

If any of the persons involved provokes the other and does any act to cause harm to the other, the guilty shall be liable for punishment as prescribed in the Penal Code of Bhutan.

Where any of the incidents are not covered specifically under this Act, the said person shall be liable for punishment under relevant provisions of other laws. his wife either attempts to or seizes the properties of that mistress or does any act to provoke her or assaults her or injure her or files a suit in a court of law or does any act to cause harm to that mistress, then whatever properties had been so seized shall have to be returned. And for stealing the properties of that mistress and for assaulting her, the said wife shall be liable to the punishments and fines on each of the separate counts as prescribed by law. And where any of the incidents are not covered specifically by law, the said wife shall be punished with a fine extending from Ngultrums one hundred to Ngultrum three hundred. "

(18th day of the 5th Month of Female Earth Ox year corresponding to 10th July 2009)

11. Royal Monetary Authority (Amendment) Bill of the Kingdom of Bhutan 2009

The National Council thoroughly deliberated on the Bill on 10th July 2009 and made the following amendments:

A new *Choejey* was added in the Dzongkha text.

The Preamble of the Bill was amended as "Whereas, it is expedient to establish a Royal Monetary Authority of Bhutan to function as the Central Bank to formulate and implement necessary monetary policy with a view to achieving and maintaining price stability; developing, regulating and supervising banking and financial systems, including payments system, to support macro-economic objectives of the Royal Government, bring in international best practices and to protect it against systemic risks and thereby enhance its credibility at the national and international levels.

Parliament of the Kingdom of Bhutan do hereby enact the Royal Monetary Authority of Bhutan (Amendment) Act, 2009 at its Third Sessionof the First Parliament as follows:"

A new Section under Chapter 1 on repeal was added as "This Act hereby repeals Section 28 pertaining to determination of buying and selling rates of gold and foreign exchange and Section 33 pertaining to computation of and maximum and minimum interest rates of Royal Monetary Act 1982, and provisions of law, by law, rules or regulations which are inconsistent with this Act". In Section 8 of Chapter 3, sub-section (g) was amended as "issue licenses technical clearance to financial institutions to carry on financial services;" and (i) as "exercise and perform the powers, duties and functions conferred upon the Authority by or under this Act or any other Act;" Added two new clauses as "1) Establish a Tribunal to settle financial disputes arising within the financial sectors;" and "m) Issue authorization clearances to an Asset Management Company in the country".

Section 11 (c) of Chapter 3 was amended as "upon the unanimous vote of all the members of the Board, establish offices abroad **upon approval by the Government**".

In Section 33 of Chapter 4, the existing clause was deleted and changed as "a) The Governor shall be the Chairman of the board; b) The board shall elect the Deputy Chairman from among the members excluding the two Deputy Governors; c) The board shall designate one of the Deputy Governors as Member Secretary".

Section 39 of Chapter 4 was amended as "An appointed member of the Board may resign from his office on giving notice in writing to the Royal Government. Such resignation shall be effective upon its acceptance by the Royal Government and, as soon as may be practicable, another member shall be appointed in his place for the full five year term unexpired period of his appointment".

Section 40 of Chapter 4 was amended as "The Governor and appointed members of the Board may be removed from office by the **Druk Gyalpo and** Royal Government, **respectively**, only upon a finding, by a committee constituted for the purpose, of permanent incapacity or incapable of carrying out his duties expected from him or of serious misconduct, substantially prejudicing the interest of the Authority. The affected party shall be given a proper hearing and shall have the possibility to appeal against the decision before an independent court".

Section 41 of Chapter 4 was amended as "If the Governor or any one of the other appointed directors dies, or resigns or otherwise vacates his office before the expiry of the term for which he had been appointed, another shall be appointed in his place for the **a full five year term** unexpired period as soon as may be practicable".

Section 55 of Chapter 4 was amended as "The Executive Committee shall consist of six seven members, namely the Governor, the two Deputy Governors and three four other members appointed from the Division Heads by the Governor in consultation with the Deputy Governors" and added new Section after Section 55 as "Each member of the executive committee present at a meeting shall have one vote".

Section 66 of Chapter 4 was amended as "The salary, allowances and benefits of the Governor/Deputy Governors shall be determined by the Royal Government" and Section 67 was amended as "The Governor/Deputy Governors shall not receive any salary or contribution, or supplementation thereof, from any source other than the Authority".

Section 77 of Chapter 4 was amended as "A person who contravenes the

provisions of this Section commits an offence and is liable, upon conviction in a court of law, to an appropriate penalty as per the Penal Code of Bhutan["].

Section 88 (b) of Chapter 5 was amended as "in the case of coins, for each denomination of coins for the payment of an amount not exceeding twenty times the face value of that denomination".

Section 107 (a) of Chapter 6 was amended as "submit to the Royal Government **and Parliament** a report on the reserve position and the causes which have led or may lead to such a decline together with recommendations concerning the measures that may be deemed necessary to forestall or otherwise remedy the situation; and"

Section 111 of Chapter 6 was amended as "The powers of the Authority **has the powers** to (i) make regulations, or establish limits, prescribe rules and procedures, and issue notifications, orders, guidelines and clarifications in respect of foreign exchange transactions; and (ii) impose administrative penalties for any contravention thereto, shall be as specified in the Foreign Exchange Regulations, 1997, as may be amended".

Section 119 of Chapter 6 was amended as "The Authority may prescribe the desired proportion of the required reserves to be maintained by way of deposit in a current account with the Authority, or by way of Ngultrum currency cash held by the financial institution, or both. The Authority may or may not pay interest on the deposit".

Section 156 of Chapter 9 was amended as "The accounts of the Authority shall be subject to audit at least once every year by suitably qualified external auditor appointed by the Board from an empanelled list of audit firms maintained by the Royal Audit Authority".

Section 157 of Chapter 9 was amended as "Not withstanding the provision in Section 156, the Royal Audit Authority may also audit the accounts **and operation** of the Authority".

In Section 179 of Chapter 12, sub-section (i) was amended as "development banking" means extending credit or investing in securities with funding obtained primarily from institutional investors and also from the deposit of general public" and two new Sections added after (n) as "o) Tribunal" means an Alternative Dispute Resolution centre established under the aegis of RMA to settle financial disputes involving one or more financial institution" and "p) Asset Management Company" means an investment management firm that manages pooled fund, debts of investors, and Non-Performing Assets (NPA) of financial institutions, in return for fee".

Section 180 of Chapter 12 was deleted.

A new *Moentshig* was added in the Dzongkha text.

(23rd day of the 5th Month of Female Earth Ox year corresponding to 15th July 2009)

- 12. The Civil Service Bill of the Kingdom of Bhutan 2009
- 12.1. Introduction to the Bill by the Chairperson of the Good Governance Committee

The Chairperson of Good Governance Committee submitted that the Government, recognizing the Civil Service Bill of the Kingdom of Bhutan, 2009 as urgent was deliberated in the National Assembly in the 3rd Session and forwarded to the National Council along with amendments for adoption. He admitted that though the Bill was very important, the Committee could not hold enough consultations with the stakeholders due to time constraint.

The Bill had been drafted by the Royal Civil Service Commission and submitted to Parliament through the Cabinet.

12.2 Amendments to the Bill

The National Council deliberated on the Bill on 15th and 20th July 2009 and made the following amendments:

The National Council amended the third paragraph of the Preamble as "Whereas, it is expedient to enact an umbrella Civil Service Act to provide for a "small, compact and efficient" Civil Service in the Royal Government and to ensure effective utilization of human resources by ensuring uniformity of personnel policies and actions across the Civil Service in pursuant to Article 20 Section 6 of the Constitution of the Kingdom of Bhutan".

Section 2 of Chapter 1 was amended as "All other laws, rules and regulations pertaining to civil servants, so far as they are inconsistent with this Act are repealed including the following:" and deleted sub Sections from (a) to (c).

Section 6 of Chapter 1 was amended as "Civil servants in all the three branches of the Government, including Autonomous Agencies, and Constitutional Bodies shall function in accordance *in line* with the policies, rules, regulations and procedures framed by the Royal Civil Service Commission".

Having considered the autonomy of Judiciary and Legislative branch of the Government as enshrined in the Constitution, the National Council added a new Section under Section 7 of Chapter 1 as "others as may be determined by Parliament from time to time".

Section 8 (b) of Chapter 1 was amended as "Provide an umbrella Civil Service Act to ensure parity, consistency and uniformity of personnel actions within the **civil service**. three branches of the government, Constitutional Bodies and Autonomous Agencies under the Government:"

Section 13 of Chapter 2 was amended as "*have rendered a minimum of 20 years of service with a clean record either in the Civil Service or Public Sector;* have rendered a minimum of 30 years of service in case of the Chairperson and 20 years for other members with a clean record either in the Civil Service, Public or **Private Sector**;"

In Section 22 - 26 of Chapter 2, new clauses were added as "the Chairperson and members of the commission".

Section 27 of Chapter 2 was amended as "The Commission shall submit an annual report on its policies and performance, along with a summary of its findings from the periodic personnel audits **review**, to His Majesty the Druk Gyalpo and the Prime Minister".

After Section 33 of Chapter 2, a new Section was added as "**The Commission shall** promote motivation and morale among civil servants".

Section 35 of Chapter 2 was amended as "The Commission shall **may**, as per the directive **recommendation** of the Royal Government, create, abolish, upgrade or alter Agencies, including names in consultation with line Agencies".

Section 36 of Chapter 2, sub-section (c) was amended as "Create, abolish or classify positions," and d) as "Appoint, promote and transfer civil servants **in accordance with BCSR**".

Section 38 of Chapter 2 was amended as "The Commission shall make rules and regulations, called the Bhutan Civil Service Rules and Regulations (or the BCSR), for effective administration of the Civil Service **in consultation with relevant agencies and stakeholders**".

Section 39 of Chapter 2 was amended as "The Commission shall provide adequate autonomy full authority to the constitutional offices in relation to recruitment, personnel management in terms of promotion, transfer and training. However, recruitment of their employees will be subject to Section 57 of this Act".

Section 40 of Chapter 2 was amended as "The Commisson shall conduct personnel audits **review** throughout the Civil Service of the King to ensure parity, consistency, uniformity and compliance with the provisions of this Act, and personnel policies, the BCSR and other rules, regulations and procedures of the Royal Government".

Section 54 (l) of Chapter 3 was deleted and new addition after Section 54 (l) of Chapter 3 amended as "Refrain **Shall not engage** from engaging in sexual harassment".

Under Section 54 of Chapter 5, new Sections were added as "A candidate for the **post of a Secretary shall:** a) Have a minimum of Master's Degree; b) Have served a minimum of four years of relevant experience in EX 2 level or equivalent experience; and **A candidate for the post of a Dzongdag shall:** a) Have a minimum of Bachelor's Degree; b) Have served a minimum of four years of relevant experience in P 1 level or equivalent experience".

Section 59 of Chapter 5 was amended as "A Secretary to the Government shall be in the highest position in the civil service and serve a term of five years or until the superannuation age, whichever is earlier, **after which he/she shall retire**".

Section 60 of Chapter 5 was amended as "All civil servants working under the three branches of the Royal Government, including Autonomous Agencies, and Constitutional Bodies shall be appointed in accordance with this Act".

Section 72 of Chapter 8 was amended as "The Commission shall grant promotion to an eligible civil servant, subject to such conditions prescribed by the BCSR *which must inevitably include proven leadership and positive feedback for the promotion of a senior civil servant to grade three* **EX 3** *and above*".

Section 75 of Chapter 8 was amended as "The Commission shall determine the placement of a civil servant as the Head of an Agency other than the *Head of the Ministry* those or those prescribed by the BCSR from time to time".

Section 85 of Chapter 10 was amended as "The competent authority may at any time, by notice in writing, require a civil servant to retire compulsorily with or without or without post service benefits from the service on such grounds as prescribed by the BCSR".

Section 91 of Chapter 11 was amended as "Such immunity shall not cover corrupt acts committed by any member of the Commission and the civil servants in connection with the discharge of their duties or cover other acts of accepting money or any other valuables in consideration to act in a particular manner".

Section 93 of Chapter 11 was amended as "The Commission is the ultimate guardian for all civil servants in the Kingdom. As such, a civil servant shall not be prosecuted for any matter in respect of Civil Service directly by any party in a court of law without; a) routing the case through the Commission, and b) exhausting all the administrative actions as specified in the BCSR.

A civil servant shall not be prosecuted for any matter in respect of civil service directly by any party in a court of law without consulting **notifying** the commission". Section 94 of Chapter 11 was amended as "An administrative Tribunal may be established **in accordance with the law** to adjudicate the civil service appeal cases".

Section 95 of Chapter 11 was deleted.

Section 96 of Chapter 11 was amended as "The texts of this Act are in Dzongkha and English, and in any instance of a difference in meaning between the two texts, **the Dzongkha text shall be regarded as the authoritative text**. each text shall be regarded as equally authoritative and the two texts shall be reconciled".

Section 97 of Chapter 11 was amended as "The amendment of this Act may be effected only by the Parliament. The amendment of this Act by way of addition, variation or repeal shall be effected only by a simple majority of the respective houses or a vote of no less than two-third of the total Members of Parliament present and voting on a motion submitted by one-third of the members of either House, provided that the amendment does not undermine the functions and effectiveness of the Royal Civil Service Commission".

Section 98.1 of Chapter 12 was amended as "**Agency** means a Ministry, **Constitution office bodies**, Autonomous Agency, Dzongkhag, Gewog, Thromde, Office or a statutory Agency of the Royal Government".

Section 98.7 of Chapter 12 was amended as "Civil servants means a person registered with the Commission and employed in the services of the Judiciary, the Legislature, the Executive, **Constitutional Bodies** and Autonomous Agencies of the Royal Government of Bhutan, unless otherwise specified".

Section 98.22 of Chapter 12 was amended as "Royal Government includes all the 3 branches of the Government, namely the Legislature, the Executive and the Judiciary means the Lhengye Zhungtshog".

Section 98.23 of Chapter 12 was amended as "**Head of Agency** *means the* **Secretary** *to the Government,* **Secretary General of** *the respective Houses,* <u>*Heads of*</u> *departments,* <u>Head of Ministry</u>, Autonomous Agency, Dzongkhag, Gewog, Thromde, Office or a statutory Agency of the Royal Government".

The phrase "His Majesty the King" was changed to "**the Druk Gyalpo**" in Sections 14, 27, 29, 30 and 57 of the Bill.

(2nd day of the 6th Month of Female Earth Ox year corresponding to 24th July 2009)

13. Entitlement and Service Conditions Bill for the Holders/Members & Commissioners of the Constitutional Offices of Bhutan, 2009

The National Council thoroughly deliberated on the Entitlement and Service Conditions Bill for the Holders/Members & Commissioners of the Constitutional Offices of Bhutan, 2009 which, according to the Constitution, was an immediate requirement for the Constitutional post holders.

The title of the Bill was amended as **"Entitlement and** Service Conditions Bill for the Holders, **Members & Commissioners** of the Constitutional Offices of Bhutan, 2009".

The Preamble was amended as "*Whereas*, Article 31(2) of the Constitution of the Kingdom of Bhutan stipulate the Chief Justice of Bhutan, the Dranpons of the Supreme Court, the Chief Justice and the Drangpons of the High Court, the Chief Election Commissioner, the Auditor General, the Chairpersons of the Royal Civil Service Commission and the Anti-Corruption Commission shall be the holders of the Constitutional offices;

Whereas, Article 31(7) of the Constitution of the Kingdom of Bhutan, requires that the salary, tenure, discipline and other conditions of the holders/**members & Commissioners** of Constitutional offices be prescribed by law;

Parliament of the Kingdom of Bhutan do hereby enact the **Entitlement and** Service Conditions Act for the Holders/ **Members & Commissioners** of the Constitutional Offices of Bhutan 2009 at its Third Session of the First Parliament".

Section 3 of Chapter 2 was amended as "The appointment and tenure of holders of the Constitutional Offices, **Members or the Commissioners** shall be governed by the Constitution and respective relevant laws".

Section 4 of Chapter 2 was amended as "The Holders of the Constitutional Offices shall resign **with post service benefits** from their previous office, if any, upon appointment to the Constitutional Offices **including the member or the Commissioner**".

Section 5 (f) of Chapter 3 was amended as "In the service for minimum of 20 30 years".

Section 18 of Chapter 3 was amended as "The holders of the *Constitutional offices*, **members of the Commission** shall be entitled to telephone allowance as per annexure A".

Section 19 of Chapter 5 was amended as "The holders of the *Constitutional offices*, **members of the Commission** may, before expiry of term, resign after giving notice in writing at least thirty days in advance".

The National Council also proposed the pay and allowance for the Constitutional Post Holders, Members and Commissioners of Bhutan as follows:

Pay and Allowances (including house rent and telephone) of all the Constitutional post holders, Commissioners, Members of Commissions, Prime Minister, Chief Justices of the Supreme Court and the High Court, Speaker of the National Assembly of Bhutan, Chairperson of the National Council of Bhutan, Leader of Opposition Party, Members of Parliament, Secretaries of the ministries, Judges of the High Court, and Attorney General of Bhutan **pegged to that of a Minister** of the Executive arm of the State.

Cate gory	Legis-lative	Executive	Judiacry	Constitutional Offices	Salary	Allowance
1	-	Prime Minister			Certain percent * above the Minister	Certain percent * above the Minister
2	Speaker, Chairperson & Leader of Oppostion	Minister	Chief Justice of Supreme Court	-	Equivalent to a Minister	Equivalent to a Minister
3	-	-	Chief Justice of the High Court & the Judges of the Supreme Court	Chief	Certain percent * lower than a Minister	* To be determined by the pay Commission
4	MP	Secretary	Judges of the High Court	-	Certain percent * lower than those in Category 3	
5	-	Attorney General	-	Commissioners & Members of Commissions	Certain percent * lower than those in Category 4	

14. The Optional Protocol to the Convention on the Rights of the Child (CRC) on the Sale of Children, Prostitution and Child Pornography

The Royal Government of Bhutan in collaboration with the International Organizations had framed numerous conventions that accrued immense benefits to both the government as well as the people. Since the establishment of Parliamentary Democracy, five such conventions had been endorsed in keeping with the provisions of the Constitution. The National Council, after thorough deliberation similarly ratified the Optional Protocol to the Convention on the Rights of the Child on the Sale of Children, Prostitution and Child Pornography without any amendment.

The Hon'ble Member from Pemagatshel submitted that Article 3 of the Convention stated that children involved in criminal offences should be dealt with in accordance with the respective criminal or penal laws of the State. In case there were no such provisions in the Penal Code of Bhutan, he suggested that these be included during its review which the National Council endorsed.

(1st day of the 6th month of the Female Earth Ox Year, corresponding to July 23, 2009)

15. The Optional Protocol to the Convention on the Rights of the Child (CRC) on the Involvement of Children in Armed Conflict

Recognizing its importance, the Convention on the Optional Protocol to the Convention on the Rights of the Child (CRC) on the Involvement of Children in Armed Conflict was initially tabled in the National Assembly for endorsement. On receiving it in the National Council, the Convention was thoroughly deliberated upon. Except for the need to refine the English-Dzongkha translation, the National Council ratified the Convention without any amendment.

16. Motion to Review the Anti-Corruption Act of Bhutan, 2006

The Chairperson of the Good Governance Committee presented the various aspects that the Committee had worked on to review the Anti-Corruption Act.

Although the National Council during its 2nd Session had resolved to review the Anti-Corruption Act 2006 by the Good Governance Committee and table it during the 3rd Session, he said that it could not be done due to time constraint. Therefore, he introduced the Act to the House so that it could be presented during the 4th Session of the National Council. The Committee Chairman said that the primary aim of reviewing the Act was in keeping with the vision of their Majesty the Kings to eradicate corruption in the country and ensure that those involved in such practices bore a higher degree of penalty even for a minor corrupt act.

To this end, he reported that the Hon'ble Members of the National Council had participated in the discussion on the National Anti-Corruption Strategy Framework and the Anti-Corruption Act coordinated by an expert from Hongkong. During the discussion, certain sections of the Act were identified for review together with the Penal Code of Bhutan and the Civil & Criminal Procedure Code of Bhutan. On the various views submitted by the Hon'ble Members, the Chairperson and the two Commissioners of Anti-Corruption Commission had made a presentation to the plenary in the Conference Hall of the National Council and clarified doubts. Based on the discussions, an Amendment Bill had been drafted and uploaded on the web-site of the Anti-Corruption Commission for feedback from the general public.

The Hon'ble Members from Gasa and Tsirang informed that having constituted a Review Committee, it had already identified about 42 issues for the review. Recognizing the importance of the Act for the country, the House resolved to deliberate on it during the 4th Session of the National Council after taking stock of all the views and feedback.

17. Motion to Amend the Penal Code of Bhutan 2004

The Chairperson of the Legislative Committee, Kuenlay Tshering submitted that though it had been just 4 years since the Penal Code of Bhutan 2004 was enacted in the 82nd Session of the erstwhile National Assembly, it was important for any Act to be aligned in accordance with Section 1 (10) of the Constitution of Bhutan 2008.

To this end, he apprised the House on the research and review that the Legislative Committee had undertaken together with the Royal Court of Justice on 25 sections of the Penal Code. He also informed of the review carried out on the 18 resolutions passed during the Annual Judicial Conference. Similarly, he said that the Committee had extensive consultations with the officials of the Office of Attorney General, Anti-Corruption Commission and the general public. The Committee would discuss issues related to Youth such as drugs and substance abuse with Organizations concerned in keeping with the International Conventions. Therefore, he proposed that the Penal Code of Bhutan be included for deliberation in the 4th Session of the National Council.

The Social & Cultural Affairs Committee also presented its report on the review of the Penal Code of Bhutan 2004. The Committee informed the House that it thoroughly researched and reviewed Chapter 14 on Sexual Offences. They submitted that of the 106 registered cases on Sexual Offences from 18 Dzongkhags within a five year period from 2004 to 2008, about 40% of the cases were on rape that involved youths below the age of 18. Since minors were involved, the Social & Cultural Affairs Committee viewed the findings with concern and put these under the following three categories:

- 1. Firstly, since such cases were detrimental not only physically but also involved mental disturbances as per the study by experts, these posed problem of social unrest in the country in the near future;
- 2. Secondly, as submitted above, though there were only 106 registered cases within the five year period, these had brought about worries not only to the victims but also to their family members; and
- 3. Thirdly, with changing time, sex related cases will only increase and not decrease. Therefore, in order to levy stronger penalties, the Penal Code of Bhutan needed review. In particular, the Committee said that Sections 182 (Grading of statutory rape) and 183 (Rape of the child above twelve years of age) under Sexual Offence needed to be reviewed urgently.

The Hon'ble Member from Wangduephodrang supplemented the submission by the Social & Cultural Affairs Committee. She pointed that in a case study on Sexual Offences and Rape from 18 Dzongkhags, 24 cases involved children below the age of 12 and 42 cases involved children below 18 years of age. According to the report of the print media, in the last three years, of the total 71 rape victims brought to the hospitals, 41 of them constituting about 58% were young women.

On a comparative study of the punishment involving rape and sexual offences in other countries, punishments in Bhutan were lighter, considerate and lenient. She said that rapists were sentenced to life imprisonment elsewhere and that punishments in Bhutan needed to be made more severe.

The Hon'ble Member from Bumthang submitted that Section 192 of Chapter 14 which stated "The offence of the gang rape of a child below twelve years of age shall be a felony of the first degree" should be deleted and in Section 7 under Chapter 3, add (d) "For offence of a rape of a child below age of 12 years". He also proposed amendment to Section 194 of Chapter 14 to read, "The offence of gang rape of a child above twelve years of age shall be a felony of the second first degree". It was also felt necessary to insert an additional clause in the Penal Code that barred the media from declaring the names of the defendant and victim. Anyone violating the above shall be guilty of petty misdemeanour.

The Hon'ble Member from Lhuentse submitted that while sexual intercourse with a child below 18 years of age was considered an offence, in the rural areas, it was part of the prevailing traditional practice. Moreover, people were not aware of such prohibitions under the law. It was indeed a serious problem if a person after getting married to an under 18 was charged for a rape case when the couple approached the courts during a divorce. The Hon'ble Member reminded the Committee to keep these in mind while reviewing the Penal Code.

On this, the House directed the Legislative Committee to take note of the concerns, review other related Acts and prepare the amendments for deliberation in the 4th Session of the National Council.

18. Motion to Review the Civil & Criminal Procedure Code of Bhutan, 2001

The Chairperson of the Legislative Committee, Kuenlay Tshering submitted that while the Civil & Criminal Procedure Code of Bhutan 2001 was a law formulated by experts, it was important that it be reviewed to make it consistent with Section 10 of Article 1 of the Constitution. He said that as the Civil & Criminal Procedure Code was being referred to by the courts for day-to- day prosecution, it was an important guide book for the judiciary. Therefore, it needed to be reviewed like the Penal Code of Bhutan submitted above.

On this, the House resolved to review the Civil & Criminal Procedure Code of Bhutan 2001 in the 4th Session of the National Council.

19. Motion for drafting Law of Limitation

The Chairperson of the Legislative Committee, Kuenlay Tshering said that laws had been made and enacted in Bhutan since the 17th century. Since 1955 when the National Assembly first enacted and passed the *Thrimzhung Chenmo*, there were now a total of about 140 to 150 Acts. However, he noted that for prosecution of cases which entailed gaining and losing, it was imperative to have a definite time frame within which an investigation could be carried out by a court of law. To facilitate smooth sailing of public affairs under parliamentary democracy, the Hon'ble Member submitted that the Office of the Attorney General which had the legal expertise be asked to initiate drafting a Law of Limitation.

Supporting the submission, the Hon'ble Member from Lhuentse said that the ceiling of the Annual Membership Fee for the two political parties that was fixed at Nu. 100,000.00 (one hundred thousand only) prior to the elections had now been raised to Nu. 500,000.00 (Five hundred thousand only) according to a letter from the Election Commission of Bhutan just recently. He questioned the legality of such a raise and expressed the need to have in place a law to avoid such discrepancies in future.

Since it was the mandate of the National Council to make laws in accordance with the Constitution of Bhutan and its own Act, the House resolved to forward all relevant background papers to the Office of the Attorney General in order to draft a Law of Limitation.

(24th day of the 5th month of the Female Earth Ox Year corresponding to July 16, 2009)

20. Implementation of the Land Act of Bhutan 2007

The Hon'ble Member from Trashigang submitted that one of the difficulties faced by the rural populace was regarding Sokshing and Tsamdro. According to Chapters 10 and 11 of the Land Act 2007, all Sokshing and Tsamdro rights, maintained in the Thram prior to enactment of this Act, shall be deleted from the Thram and land taken over by the Government. He submitted that this would pose difficulties since the rural people feel that the land registered in their names and cared for thus far would be now taken away from them and lost forever.

He further submitted that under the Sokshing Management Plan, both Sokshing and Tsamdro were declared as Government land limiting eople's right to collect only leaf litters for their fields. With the Government claiming ownership right over land and trees, people feared that they would lose the land that they had. Noting that the people would not have means to collect leaf litter for agricultural purposes, he felt that the Government should revert to the earlier Act. Since Sokshing benefited the people in terms of collecting firewood, mushroom plantation and collecting Cordyceps, there was a need to review Chapters 10 and 11 of the Land Act, 2007.

The Hon'ble Members from Lhuentse, Haa, Gasa, Trongsa, Pemagatshel, Samtse, Zhemgang, Thimphu and Hon'ble Member Kuenlay Tshering reminded that while enacting laws, it was important to study the impact and amended if these did not benefit the people. They said that Chapter 10 on Tsamdro should be enforced and Chapter 11 on Sokshing be retained as in the earlier Act.

On this, the National Council resolved to enforce implementation of Chapter 10 on Tsamdro and ask the Government to review Chapter 11 on Sokshing.

(25th day of the 5th month of the Female Earth Ox Year, corresponding to July 17, 2009)

21. Presentation of Annual Audit Report by the Public Accounts Committee

The Deputy Chairperson of the Public Accounts Committee, Jigme Rinzin submitted the report of the Royal Audit Authority for the fiscal year 2006-2009 and Annual Report 2007-2008 of the first two political parties based on Article 25 (6) of the Constitution.

The Audit Report for the financial year 2006 showed the following irregularities not cleared by the different agencies/organizations:

1. Ministries	Nu. 10,380,642.05
2. Dzongkhag Administration	Nu. 10,786,921.88
3. Gewog Level	Nu. 3,170,201.27
4. Judiciary	Nu. 168,685.27
5. Monastic Institutions	Nu. 123,761.91
6. Autonomous Bodies	Nu. 4,045,885.13
7. Corporations and Financial	
Institutions	Nu. 95,085,947.27
8. Non-Governmental	
Organizations	Nu. 4,932,955.93
Total:	Nu. 128,695,001.39

On this, the Public Accounts Committee submitted the following:

- 1. On the few cases that had been forwarded to the courts, the Committee to calculate the actual figure involved in terms of money and the different courts in which these were lying, and on thorough research report the findings during the 4th session;
- 2. With regard to the complaints of ministries on limited time for submission of replies, ministries are to settle the audit memos by the deadline of 2006 as stipulated by the Royal Audit Authority;
- 3. Since there were pending cases as far back as 1987 involving retired civil servants whose address could not be ascertained, the concerned ministries and agencies needed to be consulted to overcome the problem;
- 4. On the issue of non-payment of taxes by shopkeepers and business enterprises whose whereabouts and accountability could not be vouched, these should be processed for write-off in accordance with Sections 178, 179, 180 and 181of the Public Finance Act and reported to the Public Accounts Committee; and
- 5. On the advances released by ministries and departments based on personal relationship and understanding, it was submitted that a thorough investigation be carried out to ascertain the amount of interest charged in the transaction.

Secondly, on review of the 2007 Report, it was revealed that 19.82% of the irregularities remained unresolved as of April 15, 2009. Of this, 29.43% constituted fraud, corruption and embezzlement, 18.48% mismanagement, 18.19% shortfall, lapses and deficiencies,

and 6.52% violation of laws and rules. Although fraud, corruption and embezzlement ranked the highest, most of these were resolved and only 59 cases remained amounting to Nu. 10.84 million. These, too, were being prosecuted by the Office of Attorney General (OAG), Royal Court of Justice and Anti-Corruption Commission.

The Public Accounts Committee submitted the following recommendations:

- 1. Ministries, Agencies and Corporations to furnish replies to the Royal Audit Authority within 45 days of receiving the audit report.
- 2. In case of misuse of office money, administrative actions should be taken in accordance with the Civil Service Rules & Regulation of Bhutan.
- 3. Since the cases of fraud, corruption and embezzlement were increasing yearly, it was recommended to levy 24% interest on the principle amount to discourage such corrupt practices.

Thirdly, the Public Accounts Committee presented its observations on the Annual Audit Report (AAR) 2008 on the economy, efficiency and effectiveness of the use of public resources submitted to His Majesty the King, Prime Minister and Parliament as provided for in the Constitution of Bhutan. The AAR 2008 revealed total unresolved irregularities of Nu. 151.121 million of which Nu. 118.763 million accounting for 79% of the irregularities pertained to shortfalls, lapses and deficiencies.

The Public Accounts Committee submitted that the cases of fraud, corruption and embezzlement should be directly reported to the Anti-Corruption Commission (ACC) irrespective of the amount involved. Further, the Committee reiterated imposing 24% interest on the total amount misused and expressed the need for defining clear responsibility and accountability measures.

Fourthly, the Public Accounts Committee presented its observations on the performance audit conducted by the Royal Audit Authority to assess the impact of the 9th Five Year Plan based on the audit of Department of Roads (DoR) and Chhukha Dzongkhag Administration. In the case of Chhukha Dzongkhag, it was revealed that while preparing plans, both the Dzongkhag and Gewog had not carried out any research. They had also not consulted the ministries and agencies concerned which resulted in low achievement of 66.49% and compromised quality of work. Therefore, the Committee felt that the Government should provide proper training to the planners and relevant officials, and implement strategies uniformly across all dzongkhags. Similarly, while assessing the quality and fund utilization in the construction of roads and bridges, it was found that of the Nu. 7,527.725 million allocated by the Government only Nu. 6,273.105 million had been spent by Department of Roads. Moreover, it was reported that the plans and programs had not been implemented properly.

The Public Accounts Committee said that policy and design should be prepared based on research keeping in view the local topography, climate and frequency of vehicular movement to ensure quality. The Committee also recommended reviewing the Road Master Plan 2007.

Fifthly, presenting on the money collected and annual accounts maintained by the two political parties since their registration, the Public Accounts Committee found that within one year Druk Phuensum Tshogpa (DPT) had incurred Nu. 30.500 million while the People's Democratic Party (PDP) spent a little over Nu. 38.200 million. The fund

was mostly raised through membership fees, donations and loan from financial institutions. Druk Phuensum Tshogpa had availed a loan of Nu. 14,253,975.96 million from Bank of Bhutan (BOB) and the People's Democratic Party had availed Nu. 20,326,924.27. The two political parties had further availed loans from private companies and had huge outstanding dues. Therefore, the Committee submitted that the parties in future should be restricted from incurring excess expenditure.

Moreover, while filling the membership form for registration of members, it was observed that the People's Democratic Party had 154 and Druk Phuensum Tshogpa had 2,304 members who were not enlisted with the Election Commission of Bhutan. The two parties had failed to maintain proper records of the membership fees collected and advance paid. The People's Democratic Party had also not deposited Tax Deducted at Source (TDS) from the salary of party workers with the Department of Revenue & Customs.

Additionally, the Hon'ble Members from Gasa, Lhuentse and Trashigang submitted that while the law clearly stated that no political party was allowed to avail loan exceeding Nu. 1,00,000/- and collect more than Nu. 100,000/- annually from the members, the recent letter from the Election Commission raising the ceiling to Nu. 5,00,000/- from the day of registration of the two parties was in violation of the Election Act.

On this, the House resolved to take note of the recommendations of the Public Accounts Committee and submit to the relevant ministries, agencies and commissions for strictly compliance in accordance with the relevant laws.

(2nd day of the 6th month of the Female Earth Ox Year Corresponding to July 24, 2009.)

22. Annual Budget and Appropriation Bill, 2009-2010

22.1 Presentation on the Annual Budget by Hon'ble Finance Minister

The Hon'ble Finance Minister, Lyonpo Wangdi Norbu said that the completion of one year of Government under parliamentary democracy in Bhutan coincided with the world economy witnessing turbulence due to financial crisis. However, he said that the Bhutanese people continued to live in peace and harmony, although occasional incidences of natural calamities reminded us of our exposure to certain factors beyond our control. He attributed the successes and achievements of the Government to the wise leadership and guidance of our beloved Kings. The Hon'ble Minister covered the following in his presentation:

- 1) Annual Financial Statements of the Fiscal Year 2007-08,
- 2) Revised Budget Estimates for the Fiscal Year 2008-09,
- 3) Budget Estimates for the Fiscal Year 2009-10,
- 4) Economic Outlook and Fiscal Projections,
- 5) Report on State-owned Enterprises and Government's Shares in Companies,
- 6) Report on Trust Fund.

22.2 Amendments on the Annual Budget Report

The National Council deliberated thoroughly on the National Annual Budget for the Fiscal Year 2009-10 and made the following amendments:

In keeping with Article 14(3) of the Constitution which stated "Public money shall not be drawn from the treasury except through appropriation in accordance with the law", it was resolved to change the title as "National Budget Report and Budget Appropriation Bill of the Fiscal Year 2009-10". The second paragraph on page 37 of the National Budget of the Fiscal Year which stated, "Local Government will also derive benefits from the Constitutional Development Grant related activities. As approved by Parliament, the government had started activities for the purpose of the members of the National Assembly and distributed its Implementation and Report Rules. The Constitutional Development Grant that states for the society to utilize the Grant in procuring necessities which is not reflected in the plan and also to be used to fund activities not reflected in the Recurrent Budget" was deleted.

Similarly, Serial # 3 in Table 3.19 (3) on page 67 was deleted as highlighted below:

S1.No	Function	Total (Nu)	Remarks
3	Constituency	188.000	47 Constituencies
	Development		
	Grant		

The above table and the second paragraph on page 37 which concerned Constituency Development Grant were deleted from the Budget Appropriation Bill since the National Council during its 2nd Session had made a submission to His Majesty the King objecting on the approval of Constituency Development Grant by the Government.

Table No. 3.19 (6) of the page 67

S1. #	Function	Total (Nu)	Remarks
6	His Majesty's Relief Fund	20.000	As per Article 14, Section 12 of the Constitution

His Majesty's Relief Fund proposed in Table 3.19 (6) on page 67 would greatly benefit the poor people in the country. However, according to Article 14(12) of the Constitution which stated, "Parliament shall establish a relief fund and the Druk Gyalpo shall have the prerogative to use this fund for urgent and unforeseen humanitarian relief", only Parliament had the authority to establish such a Relief Fund. Since the National Assembly had done it on its own, the National Council resolved to remind the Government to establish the Relief Fund in keeping with the provisions of the Constitution of Bhutan.

As provided for in Article 14(3) of the Constitution of Bhutan, public money cannot be drawn from the Consolidated Fund except through appropriation in accordance with the law. In order to draw money from the Consolidated Fund, a Budget and Appropriation Bill had to be passed by the Parliament in accordance with Public Finance Act of the Kingdom of Bhutan 2007. Since this was a money bill, it needed to originate in the National Assembly and deliberated in the National Council upon which it had to be submitted to the Druk Gyalpo for assent.

The Hon'ble Members noted that the Finance Minister's report did not include the Budget and Appropriation Bill without which there was no authority to draw money for spending. They expressed concern on how this might impact on the implementation of plan activities to fulfil the hopes and aspirations of the people.

On this, the National Council resolved to call upon the Government to submit the Budget and Appropriation Bill through the National Assembly, urgently.

(24th day of the 5th month of the Female Earth Ox Year corresponding to July 16, 2009)

F. Policy related issues

1. The Impact of Urbanization

The Hon'ble Member from Thimphu submitted that with changing time, there was an increased influx of rural people into urban areas leaving behind their ancestral homes. This not only cramped the area but put pressure on meeting basic services. This, the Hon'ble Member pointed, was a result of lack of opportunities in the rural areas.

She further submitted that people in the urban areas were disappointed as their land was taken over by the Government for establishing new towns forcing them to leave the land. Despite concerted efforts, even the City Corporation had not been able to solve their problems mainly due to time constraint and shortage of human resources.

While the Hon'ble Members from Gasa, Trashigang, Trashiyangtse, Zhemgang, Pemagatshel, Haa, and Lhuentse expressed the need to frame a comprehensive policy that could cater to equal opportunities in the rural areas, the Hon'ble Member from Trongsa and Hon'ble Member Kuenlay Tshering said that it was also important to look at the financial position of the Government in developing such strategies.

In order to mitigate the problem of rural-urban migration, the National Council resolved to call upon the Government to distribute government offices in the different regions, work out modalities to pay adequate and equitable compensation to the people affected by urban development, hold celebration of national events in different regions, and recommend placement of adequate human resources in the relevant organizations.

2. Remuneration of the Gewog Tshogpa

The Hon'ble Member from Trashigang submitted that strengthening Local Government was important while laying a strong foundation for a vibrant democracy. To achieve this, he said that the elected leaders of the Local Government should be provided attractive pay and allowances.

He pointed that the monthly salary of Nu.1000/- with 45% raise paid to the Gewog Tshogpas amounted to Nu. 1450/- which was far less than the minimum daily wage rate paid to the National Work Force. In view of the big responsibilities they shouldered in the Gewog, he submitted that the salary should be increased to a minimum of Nu. 3000/- to which the Hon'ble Members from Lhuentse, Haa, Samdrup Jongkhar, Trongsa, Zhemgang and Hon'ble Member Karma Yezer Raydi supported.

The National Council thoroughly deliberated on the issue and felt that the salary of Nu. 1450/- might not attract people in the upcoming local elections. In order to encourage capable and qualified candidates to contest, the House resolved to ask the Government to raise the salary of Gewog as well as Thromde Tshogpas.

(11th day of the 5th month of the Female Earth Ox Year –corresponding to July 3, 2009)

G. Question Time

In keeping with the agenda of the 3rd session of the National Council, the Hon'ble Ministers were requested to attend the Question Time of the House. Since the Ministers failed to turn up, the National Council could not discuss on the questions

raised by the people in seven sittings starting from July 3 - 21, 2009 and resolved as follows:

Although Sections 130 and 137 of the National Council Act provided for inviting either oral or written answers as deemed necessary, the failure of the Hon'ble Ministers to attend to the oral answers reflected their disregard to the institution of the National Council. Moreover, most of the Hon'ble Members said that it was in violation of Section 7 of Article 20 of the Constitution which stated, "The Lhengye Zhungtshog shall be collectively responsible to the Druk Gyalpo and to Parliament".

The Hon'ble Member from Trongsa submitted that transparency and accountability were not only the principles of Good Governance in Bhutan but were also the guiding principles of democracy on which it depended for survival. Therefore, in keeping with the Constitution of Bhutan, the Parliament in its first session had passed the National Council Act 2008 in which provisions to question the Government had been incorporated. In the hope that the Government would attend the Question Time as per the 25th resolution of the 2nd session of the National Council, a detailed guideline on the Question Time was prepared and circulated to all Cabinet Ministers including the Hon'ble Prime Minister. However, it was regretted that none of the Cabinet Ministers turned up to attend the Question Time. Despite the tireless efforts of the National Council to lay a strong foundation for a vibrant democracy, the Hon'ble Member said that the lack of support from the Cabinet Ministers was not only a cause for worry but was also an indication of their disrespect to the esteemed authority of the legislative body.

On this, the National Council resolved to submit the above views and ask the Lhengye Zhungtshog to attend the Question Time from the forth-coming session as provided for in the relevant laws.

(2nd day of the 6th month of the Female Earth Ox Year –corresponding to July 24, 2009)

H. Miscellaneous Issues

1. Submission of Bills to Parliament prior to the session

The Hon'ble Member from Haa said that for any Bill that was tabled for deliberation in the Parliament, it was important to understand its background and conduct thorough research to ensure that appropriate amendments are made so that the Act once passed benefited the people. Therefore, he submitted that the Bills be circulated to the Hon'ble Members at least three months prior to the parliamentary session on which the Hon'ble Member Kuenlay Tshering supported.

On this, the National Council considering the time required to review Acts and Bills resolved that the ministries, departments and agencies concerned should submit the same at least 3 months before the session if these were to be deliberated in the House.

2. Schedule for the commencement and conclusion of Parliament Sessions

Hon'ble Kuenlay Tshering said that Parliament had to meet twice a year and that these needed to be convened regularly without delay, particularly, to pass the Annual Budget and Appropriation Bill. If the Annual Budget and Appropriation Bill were not passed on time, ministries, departments and agencies had problem initiating the planned development activities. In view of this, the Hon'ble Member proposed that the summer session of Parliament should end latest by June 30 and winter session by December 31. The interval of six months in between, he said, would allow them to review Acts and Bills, and hold consultation with ministries, departments and agencies concerned on which the Hon'ble Member from Gasa supported.

On this, the National Council resolved to take up with the Hon'ble Speaker of the National Assembly to end the summer session by June 30 and winter session by December 31 to allow six months gap in between the two sessions.

3. Declaration of an Urgent Bill

In the absence of a clear parliamentary procedure to declare an Urgent Bill, Hon'ble Kuenlay Tshering submitted that it was important that the Hon'ble Speaker and the Hon'ble Chairperson in consultation with the Members came up with one to facilitate smooth proceedings in the two Houses on which the Hon'ble Member from Gasa supported.

On this, the National Council resolved that an Urgent Bill shall be declared jointly by Hon'ble Speaker of the National Assembly and Hon'ble Chairperson of the National Council.

4. Late submission of Annual Budget Report & Budget Appropriation Bill in Parliament

The Hon'ble Member from Pemagatshel pointed that the late submission of Annual Budget Report & Budget Appropriation Bill to Parliament by Finance Ministry had adversely affected development activities of the ministries, departments and agencies. Therefore, he said that it should be submitted in accordance with Section 47 of the Public Finance Act 2007 which stated, "The Minister of Finance shall present to the Parliament the Government's Budget and Appropriation Bill no later than 5 days preceding the budget year" on which the Hon'ble Member from Dagana supported.

As submitted by the two Hon'ble Members, the House resolved to remind Hon'ble Speaker of the National Assembly and Hon'ble Finance Minister to submit the Annual Budget Report & Budget Appropriation Bill on time in keeping with the Public Finance Act.

I. Closing Ceremony

1. Closing Address by the Hon'ble Chairperson

In his closing address, the Hon'ble Chairperson recalled that the House had deliberated on 29 issues in all whether or not in the agenda. He said that the deliberations had been done strictly in keeping with the provisions of the Constitution of Bhutan and the National Council Act. Of the 29 issues, 21 were legislative and 8 on policy matters.

Being an urgent bill, the Hon'ble Members worked very hard and deliberated on the Civil Service Bill of the Kingdom of Bhutan 2009 despite tight schedule. It was then submitted to the National Assembly with amendments for further consideration. The House also passed the Service Condition Bill for the Constitutional Post Holders of the Kingdom of Bhutan 2009 with amendments although it was not an Urgent Bill. The differences between the two Houses on the Local Government Bill of the Kingdom of Bhutan 2009, too, were ready for deliberation in the Parliament in accordance with the provisions of the Constitution of Bhutan. The House also identified the following four Acts and Bills for deliberation in the 4th Session:

1. Penal Code of the Kingdom of Bhutan 2004;

2. The Civil and Criminal Procedure Code of the Kingdom of Bhutan 2001;

- 3. The Anti-Corruption Act of the Kingdom of Bhutan 2006; and
- 4. The Standards Bill of the Kingdom of Bhutan 2009.

The Chairperson expressed his satisfaction on the successful conclusion of the National Council session mainly due to the grace of the Triple Gem, the guidance of Their Majesty the Kings, prayers of the monastic institutions and unfailing cooperation of the Hon'ble Members.

The 3rd session of the National Council concluded on the 3rd day of the 6th month of the Female Earth Ox Year of the Bhutanese Calendar corresponding to July 24, 2009 with prayers for peace, prosperity and happiness of the people free of war and famine, and long life of Their Majesty the Kings, His Holiness the Je Khenpo and Members of the Royal Family. The House also offered *Trashi Moenlam* for the success of democracy in Bhutan for all times to come.



(Namgye Penjore) Chairperson National Council of Bhutan

List of Hon'ble Members who participated in the 3rd Session of the National Council

- 1. Hon'ble Namgye Penjore, Thrizin, Punakha Dzongkhag
- 2. Hon'ble Karma Ura, Deputy Chairperson, Eminent Member
- 3. Hon'ble Kuenlay Tshering, Eminent Member
- 4. Hon'ble Karma Yezer Raydi, Eminent Member
- 5. Hon'ble Tashi Wangmo, Eminent Member
- 6. Hon'ble Karma Damcho Nidup, Eminent Member
- 7. Hon'ble Tshewang Jurmi, Bumthang Dzongkhag
- 8. Hon'ble Tshewang Lhamo, Chhukha Dzongkhag
- 9. Hon'ble Sonam Dorji, Dagana Dzongkhag
- 10. Hon'ble Sangay Khandu, Gasa Dzongkhag
- 11. Hon'ble Tshering Dorji, Haa Dzongkhag
- 12. Hon'ble Rinzin Rinzin, Lhuentse Dzongkhag
- 13. Hon'ble Naichu, Mongar Dzongkhag
- 14. Hon'ble Ugyen Tshering, Paro Dzongkhag
- 15. Hon'ble Jigmi Rinzin, Pemagatshel Dzongkhag

- 16. Hon'ble Jigme Wangchuk, Samdrupjongkhar Dzongkhag
- 17. Hon'ble (Dr.) Mani Kumar Rai, Samtse Dzongkhag
- 18. Hon'ble Karma Donnen Wangdi, Sarpang Dzongkhag
- 19. Hon'ble Sonam Kinga, Trashigang Dzongkhag
- 20. Hon'ble Sangay Zam, Thimphu Dzongkhag
- 21. Hon'ble Kesang Namgyal, Trashi Yangtse Dzongkhag
- 22. Hon'ble (Dr.) Jagar Dorji, Trongsa Dzongkhag
- 23. Hon'ble Justin Gurung, Tsirang Dzongkhag
- 24. Hon'ble Sonam Yangchen, Wangduephodrang Dzongkhag
- 25. Hon'ble Pema Lhamo, Zhemgang Dzongkhag