

2ND PARLIAMENT OF BHUTAN
7TH SESSION



Resolution No. 7

**PROCEEDINGS AND RESOLUTION OF
THE NATIONAL ASSEMBLY OF
BHUTAN**

(MAY 26 - JULY 7, 2016)

Speaker: Jigme Zangpo

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1. Opening Ceremony

The Seventh Session of the Second Parliament of Bhutan commenced on the auspicious 20th Day of the 4th Month of the Fire Male Monkey Year corresponding to 26th May 2016. His Majesty the Druk Gyalpo was received by the Members of Parliament in an elaborate Serdrang and Chibdrel ceremony followed by Zhugdrel Phuentsum Tshogpai ceremony.

1.2 Address by the Speaker

On behalf of the Members of Parliament and on his own behalf, the Speaker, Mr. Jigme Zangpo welcomed and expressed gratitude to His Majesty for gracing the Opening Ceremony of the Seventh Session of the Second Parliament. The Speaker also welcomed the Royal family members, representatives of monastic bodies, Diplomatic corps, Senior officials of civil service, and all other guests who have come to witness the occasion.

The Speaker informed that this year was indeed an extraordinary and a historic one for Bhutan and the Bhutanese people. Moreover, the Speaker submitted that it is truly unprecedented in the history of Bhutan to witness and serve under the dynamic leadership of His Majesty the King, His Majesty the Fourth Druk Gyalpo and the Gyalsey Jigme Namgyel Wangchuck in a single period. The Bhutanese people could not be more prosperous than today.

Likewise, the Speaker also highlighted that it was amazing to witness the presence of Her Majesty the Grandmother Kezang Choedon Wangchuck, Her Majesty Queen Mothers Dorji Wangmo Wangchuck, Tshering Pem Wangchuck, Tshering Yangdon Wangchuck and Sangay Choden Wangchuck, and Her Majesty the Gyaltsuen Jetsun Pema Wangchuck which symbolises the glorious period of our country.

He informed the House that the people of Bhutan had celebrated three very important joyous occasions: Firstly, under the wise and visionary leadership of His Majesty the King, the people of Bhutan commemorated the 60th Birth Anniversary of our Fourth King Jigme Singye Wangchuck. Secondly, it was also the Birth Year of the Second Buddha, Guru Rinpoche. Thirdly, it was a year to mark 400 years of arrival of our Spiritual Leader, Zhabdrung Ngawang Namgyel in the country.

On behalf of the Parliament, the Speaker expressed his deepest gratitude to Their Majesties for blessing the country and the people with the Royal Heir. Furthermore, the Parliament extended appreciation to the people of Bhutan for conducting several kurims and organising grand naming celebration of the Gyalsey and the prayers offered for the long life of our Gyalsey Jigme Namgyel Wangchuck.

The Speaker informed that Prime Minister Tshering Tobgay had participated in the World Leaders' TED Talk in Vancouver, Canada and he had been recognized as one of the Top 50 Leaders of the World. The House congratulated him for projecting the image of Bhutan and making the people of Bhutan proud.

Similarly, the Prime Minister and his able team had completed the 11th FYP Mid-Term Review. It was happy to know that the progress achieved was remarkable because of efficient and effective support from the central ministries, agencies and Local Government. The Parliament extended appreciation to all implementing agencies for their hard work.

It was reported that the Members of Parliament had visited their constituencies to oversee the problems and challenges faced by constituents, inform people on the resolution of the assembly and

government policies which in turn will enrich the discussions in the house.

The Speaker offered his deepest gratitude to His Majesty for granting the Members of the Parliament the opportunity to attend leadership training. The Speaker was confident that the Members of Parliament would make good use of the skills and knowledge gained from the training.

The Speaker apprised the gathering on the agendas to be taken up in the 7th Session in particular the agenda for the Joint Sitting of the Parliament, Bills and Conventions to be deliberated in the National Assembly, other programmes, and several agendas received from the Local Government and reminded the ministries and agencies to take early action on those local government issues forwarded to them for their action.

In conclusion, with the grace of Triple Gem and deities, due to benevolent leadership of His Majesty the King, prayers of the monastic body, collective merits of the people of Bhutan and support from the Members of Parliament, the Speaker offered his prayers and expressed hopes for the success of the Seventh Session and concluded the Opening Ceremony. The full speech is provided in the **Annexure 1**.

2. Resolution on the 23 Disputed Clauses of Jabmi (Amendment) Act of Bhutan 2014 between the National Assembly and the National Council.

On deliberating the Jabmi (Amendment) Act of Bhutan 2014, the Speaker reminded that the 23 disputed clauses between the National Assembly and the National Council were submitted to His Majesty as per Article 13(8) of the Constitution of Bhutan. The Secretary

General read the Royal Decree granting for deliberation and proper voting during the Joint Sitting of the Parliament. The Royal Decree is attached in the **Annexure 2**.

Subsequently, the Chairperson of the Joint Committee presented the clauses which the committee had reached to a consensus. Thereafter, following the legislative rules of procedure, the house deliberated on the clauses where committee was not able to reach on a consensus. After deliberating thoroughly on the disputed clauses, the House adopted the recommendations put forward by the Joint Committee as in the **Annexure 3**. However, in the recommendation of the Joint Committee in Section 9(F) which states, “Provide Pro Bono legal aid to an indigent person in addition to funding support from the State”, the Member of North-Thimphu Constituency submitted that in Article 9(6) of the Constitution of Bhutan which states, “The State shall endeavour to provide legal aid to secure justice, which shall not be denied to any person by reason of economic or other disabilities”, should be incorporated in this Act. The National Council Member of Gasa Dzongkhag, the Member of Panbang Constituency and the National Council Member of Pema Gatshel Dzongkhag supported the motion put forward by the Member of North-Thimphu Constituency. The House deliberated comprehensively and consequently, as per the provisions of the Legislative Rules of Procedure 2011, re-directed to the Joint Committee to further review the issue and make recommendation.

After further review on this matter by the Joint Committee, the Chairperson of the committee reported that the committee has decided to maintain the text “Provide Pro Bono legal aid to an indigent person in addition to funding support from the State” as it is, since the legal

aid to an indigent person and the funding support from the state were already covered in the proposed phrase. Moreover, he stated that if any controversy is to arise in the future, it would be based on the provisions of the Constitution. The house following those submissions adopted it as recommended by the Joint Committee.

Following the deliberation on the 23 disputed clauses in the bill, as per the Legislative Rules of Procedure, 2011, the House put the bill to vote. Out of 63 Members present and voting, 60 voted ‘Yes’, 3 voted ‘No’, with no one to abstain, the House passed the Jabmi (Amendment) Bill of Bhutan, 2014 with two-third majority in favor of the bill. The voting result is provided separately in **Annexure 4**.

Subsequently, the Member of Panbang Constituency in expressing his dissenting opinion for not voting in favor of the bill: Firstly, he submitted that the section on the appointment of Judges from amongst the eminent Jurists after recommending to the National Judicial Commission or Royal Judicial Council would undermine the integrity and independence of the Judiciary and hinder the separation of powers. He also added that it is because the appointment of Judges and relevant issues were clearly stipulated in the Constitution.

Secondly, in the Constitution, a Bhutanese citizen is vested with the right to practice any lawful trade, profession or vocation”. However, the creation of level where the former Drangpon may practice as Jabmi before the higher court from the court where he or she presided, this would undermine the utilization of professional and vocational skills because of which the Member was not in favor of the bill. Following his submissions, the deliberation on the bill was adjourned. **(21st Day of the 5th Month of the Fire Male Monkey Year corresponding to the 27th May 2016).**

3. Resolution of the Joint Sitting on the 12 disputed Clauses of the Companies Bill of Bhutan, 2014 between the National Assembly and National Council

On the commence of the deliberation on the Companies Bill of Bhutan 2014, the Speaker reminded the House that the bill was deliberated in the National Assembly in its Sixth Session and was then referred to the National Council as per the provisions of the Constitution of Bhutan. Likewise the bill was deliberated in the National Council during its sixteenth session and was referred to the National Assembly for re-deliberation. There were 12 clauses on which the two houses could not agree which were submitted to His Majesty as per the provisions of the Constitution of Bhutan. He further informed that the House will deliberate on the recommendations put forward by the Joint Committee which was formed after receiving a Royal Decree to re-deliberate on the 12 disputed clauses in the Joint Sitting.

Thereafter, the Chairperson of the Joint Committee presented the review report on the 12 disputed clauses between the two Houses on the Companies Bill of Bhutan, 2014.

Accordingly, after deliberating on the clauses, the House endorsed five recommendations of the Joint Committee. However, it was opined that there was a need for correcting the translation in the Preamble, the new section after section 51 of the Bill, and the new section incorporated before the section 127 of the Bill. On the new section incorporated after section 161, which states that “The Regulatory Authority shall frame regulations, whereby, the Corporate Social Responsibility Fund shall be managed”, the Minister for Education and some Members moved that a Committee should be formed to manage the Corporate Social Responsibility Fund. The clause was directed to the Joint Committee for review.

Similarly, a new section after the section 170, which states that, “In the event where the shareholder is not satisfied with the decision of the Regulatory Authority, then the shareholder may appeal to High Court”, the Member of Drametse-Ngatshang Constituency opined that the appeal should be kept open as ‘Court’ and not confined to ‘High Court’. In section 385, where it states, “The Authority shall constitute a Dispute Settlement Committee for conducting hearings on business related complain”, the Minister for Economic Affairs and some Members submitted that it is not appropriate to institute many committees in a small Country. Moreover, they submitted that it would be an economic burden for the nation to institute Committees every time, while enacting a new Act. The clause was also directed to the Joint Committee, where the Committee reviewed the seven Clauses and submitted their recommendations to the House as desired.

The Chairperson of the Joint Committee once again presented the recommendations in the **Annexure 5** to the House. The House after improving the 12 disputed Clauses between the two Houses endorsed all the clauses.

The Chairperson of the Joint Committee moved that after having had extensive deliberation on Companies Bill of Bhutan in both the houses in the previous Session, and after deliberating and finding consensus on the disputed clauses in the Joint Sitting of the Parliament, and in keeping with the Legislative Rules of Procedure, 2011, proposed the motion for adoption of the Companies Bill 2014. Subjecting it to vote, out of 64 Members present and voting, all the 64 Members voted “Yes” and the House adopted the Companies Bill of Bhutan, 2014. The detail voting result is provided in the **Annexure 6. (24th Day of the 4th Month of the Fire Male Monkey Year corresponding to the 30th May 2016).**

4. Joint Sitting Resolution on the Re-deliberation of Paro Dzongkhag Thromde

At the onset of the deliberation, the Speaker reminded the House that the programme for the day would be on the re-deliberation of Paro Dzongkhag Thromde, which was in keeping with the resolution adopted on the recommendation of the Special Joint Committee of the Sixth Session of the Second Parliament constituted to review the issue on the Paro Dzongkhag Thromde.

In connection to the above re-deliberation, the Secretary General of the National Assembly read the Royal Decree granted to convene the Joint Sitting of the Parliament to the House. The Speaker reminded that the Royal Decree read out earlier was one of the two submissions put up to the Royal Assent for the Joint Sitting of the Parliament.

The Speaker further mentioned that the Second Royal Decree granted for the re-deliberation of the Paro Thromde was supposed to be held within June. However, as informed, due to repeated appeal from the Chairperson of the Joint Committee for not having documents ready to deliberate on the Framework Agreement between the Kingdom of Bhutan and the European Investment Bank and its Governing Activities, the deliberation on the Agreement was deferred and in its place the Paro Dzongkhag Thromde deliberation is being taken up. The Royal Decree is provided in the **Annexure 7**.

Subsequently, the Minister for Works and Human Settlement on behalf of the government submitted that after extensive deliberation held in the Fifth Session of the Second Parliament, the Paro Dzongkhag Thromde was endorsed with the majority of 60 Members voting “yes” from amongst the 68 Members present in the House, though, the Yenlag Throm could not be passed. While deliberating on the Paro

Yenlag Throm in the Sixth Session, a Special Joint Committee was formed, since the House could not come to agreement. She further submitted that, according to the report submitted by the Special Joint Committee endorsing the Paro Yenlag Throm, a recommendation, which was adopted by the house as resolution, was to review the Paro Dzongkhag Thromde boundary in the Seventh Session.

In accordance with that resolution, the Ministry of Works and Human Settlement had written a letter to the Paro Dzongkhag Tshogdu, asking to prepare a Thromde proposal after consulting with the general people and submit a map to the Ministry. The Ministry in response, received a map drawn with the changes made in the Dzongkhag Thromde boundary by the Dzongkhag Tshogdu on the 30th March, 2016. The Minister also mentioned that the two maps – the one approved by the Parliament earlier; and the new one with the changes in the Thromde boundary made by the Dzongkhag Tshogdu are presented to the members to gain insight and understand the differences.

In the new Paro Thromde boundary proposal, the Minister submitted that the Dzong and the places in the vicinity of the Dzong, like Gaupel and Ta-Dzong, were taken out of the Thromde Boundary. Moreover, the houses in the front row on the way to Paro Airport at Bondey were included in the Throm, while those in the back row were taken out of the Throm. She further submitted that Bjitsephu is also included in the Thromde boundary and, though, the farmers were concerned of wetland coming under Throm but the wetlands are kept as it was, with the difference of only 10 acres.

The Ministry had reviewed the new proposal and it was also discussed in the Cabinet. When the Minister visited the area to see

the ground situation personally, it was observed that in the case of Bondey area, the houses were clustered together, leaving little spaces between the two rows of houses. The Minister expressed that under such conditions if we go by the new proposal it would be difficult to prepare the plans, manage and provide services for the Throm.

It was submitted that along the road to Paro Throm there are constructions of various types, however, at Nemjo, of the houses on either side of the road, only the households along the river Pa-Chhu were included in the Throm, while other areas like Santsham Chorten and the small business centres along the Lamgong road in the North was excluded from the Thromde boundary. The Minister also pointed out that the small community of Bjitsiphu, which is 13 kilometers away from Tshongdue, the present Throm, is also included in the Thromde boundary.

The Minister further submitted that the Government and the Ministry upon carrying out a comparative study between the Thromde boundary endorsed in the Fifth Session and the new Throm boundary proposal, found out that from the point of planning, providing services, management of Throm, etc the boundary approved in the Fifth Session is better suitable than the new proposal. She also mentioned that the new proposal would not be convenient in managing and providing any services and, would not be of any benefit to the general public.

Moreover, it was submitted that the Election Commission and the Delimitation Commission have already completed the delimitation works for the upcoming second Local Government Elections as per the resolution of the Fifth Session of the Second Parliament. She further mentioned that the government has already come up

with comprehensive plans and policies to manage wetlands which will benefit the general public. So, the Minister submitted to the House to analyze properly and support endorsement of the already approved Paro Thromde boundary in the Fifth Session of the Second Parliament.

While deliberating on the matter, the Speaker informed the House, that it is the mandate of the Parliament to decide on the land boundary, as per Article 1(4) of the Constitution of Bhutan. He further reminded the House that the resolution on the Paro Thromde boundary endorsed after much debate in the previous session was already forwarded to the Election Commission, Speaker also underlined that the parliament is a supreme institution and the resolution of this supreme institution should also be kept in mind. He drew the attention of the House to carefully study the proposal submitted by the Dzongkhag Tshogdu. He said when it comes to wetland, the difference is only 10 acres, however, it would be important to see if there are any conflicts with the laws.

At that point, the Member of the Panbang Constituency expressed that according to today's session programme, the deliberation should be on the Framework Agreement between the Kingdom of Bhutan and the European Investment Bank and its Governing Activities, however, since the agreement discussion preparations weren't ready it had to be deferred. He asked whether the deferment was due to Committee's lack of preparedness or due to some other reasons. He submitted that it is important to clarify and underscored that it is vital for the House to consider the Royal Decree granted to hold the deliberation on the Paro Thromde in the month of June.

The Speaker responded that the reasons for deferring the discussion on the Agreement would be known while deliberating in the House. The Speaker also reminded that the change in the programme was informed to all members through emails and website announcements.

The National Council Member of Trongsa Dzongkhag expressed that, after looking at the new proposal submitted by the Paro Dzongkhag Tshodue, the allegations made by the people on the Paro Thromde boundary endorsed in the Fifth Session, was not really concerning damage to their wetlands, rather, it was on the taxation. He submitted that it indicates that the relevant institutions and Members have not done adequate advocacy on the matter.

Furthermore, the Member of South-Thimphu Constituency and the Member of the Drametse- Ngatshang Constituency expressed that it is imperative to deliberate on the matter, as per the recommendation submitted to the House by the Joint Committee in the Sixth Session. It was also submitted that, though the Paro Dzongkhag Thromde was not officially named as Thromde, 90 acres of land were already under the Thromde, to which support is invited for inclusion of Bondey and Bjitsiphu in the boundary. The Members further submitted that they could not support the new proposal submitted by the Paro Dzongkhag Tshogdu, since it is not a better proposal than the one approved in the Fifth Session.

On this, the Member of the Lamgong-Wangchang Constituency submitted that he has been participating as much as possible and the awareness is being created with the people. He also mentioned that the beauty of the Paro valley is mainly due to 300 acres of wetlands and, it is vital to take care of the wetlands with every possible means. He further expressed that there are no lands for the Thromde extension

without causing damage to the wetlands, though the Government assures to keep the wetlands as it is for the food security.

Moreover, it was submitted that there is every danger that in future with the change in government, the plans and policies would also change. Therefore, it was submitted to approve the Thromde with the inclusion of Bondey and Bjitsiphu in addition to 90 acres already existing Paro Thromde boundary. The Opposition Leader submitted that the government should stick with the goal of decentralization and food security. He also suggested that the government should make efforts to meet the people to have direct consultation rather than consulting people through correspondences. The National Council Member of Paro Dzongkhag submitted that the people were well informed on the matter and the people have been supporting the government in the past by providing their lands as desired by the government. He also submitted that the government should examine meticulously while providing business licenses to the people, after the institution of Thromde.

Similarly, the Chairperson and the Deputy Chairperson of the National Council submitted that there was no need to deliberate on the issue, if the government had consulted the people on the sustainable vision prior to the notification of the institution of Dzongkhag Thromdes in the 20 Dzongkhags. It was also submitted that it is important for the relevant institutions to consider section 90 of the Election Act, while working on such issues.

It was also expressed that the government's proposal was to stick with the resolution of the Fifth Session. The House was reminded that ultimately the decision has to be based on Section 67 of the Legislative Rules of Procedure, irrespective of the deliberations, and

therefore called the attention of the House to be mindful of future consequences, if the proposal was approved through voting.

The Speaker reminded the House that listening to the deliberations it appears that the discussion is not on the principles of the proposal but rather on the view that the parliament being above the Law. He mentioned that though the Parliament is the Supreme Legislative body, the deliberation should be held with due consideration to the laws passed by the Parliament. He further reminded that the deliberation should be focused on the concerns of 500 acres of wetland falling within Throm boundary, which today stands to be only 300 acres, of which 10 acres is proposed to be taken out of the Throm boundary. On this, the majority of the Members submitted that the proposal approved in the Fifth Session was more appropriate than the new Thromde boundary proposal, therefore, the House was invited to support and endorse.

The Prime Minister and other Cabinet Ministers submitted that the proposal submitted here was not presented by the government; rather it was submitted by the Ministry of Works and Human Settlement as proposed by Paro Dzongkhag Tshogdu. It was also submitted that the government did not decide on the matter, since the Dzongkhag Tshogdu did not propose to include Bondey in addition to the 90 acres of land. They also submitted that after comparing the two proposals, the Ministry of Works and Human Settlement had not found much difference and so the ministry proposed to stick with the Thromde boundary proposal endorsed in the Fifth Session.

Moreover, it was opined that if people wish to conserve 300 acres as wetland, in accordance with the Land Act; it can be declared as the protected agriculture area and then no government in future can

change the plan. It was further submitted that the government would like to support if the Members and the people propose the same. It was clarified that what the government had submitted as Thromde boundary to the Parliament through the Dzongkhag Tshogdu during the fifth session was based on the Thromde Category B of the previous government.

It was informed that the people are proud to have Dzongkhag Thromdes in 19 Dzongkhags as approved in the Fifth Session. Moreover, the re-deliberation on the Paro Dzongkhag Thromde was held mainly because of the concerns for the wetlands, though it had been passed by the Parliament. It was further submitted that the Thromde proposal was drafted in accordance with the policy of the Land Commission and the procedure and regulation of the urban planning. It was submitted that the government had approved the taxation policy, since it has the opportunity to safeguard the wetlands in the area.

It was submitted that though the Parliament has the right to alter the boundary, the Delimitation Commission was formed to provide check and balance. It was also expressed that the Delimitation Commission was vested with the right to fix the boundary delimitation and once it had been drawn, it is illegal to change the boundary delimitation until 10 years. It was reminded that when the house vote to arrive at a decision, it must be borne in mind that if the the new proposal would be rejected or voted out then automatically falls back to proposal endorsed in the Fifth session and vice versa.

After extensively deliberating on the matter, the Speaker informed the House that the Delimitation Commission has completed the demarcation of Boundary for the local government based on the resolution passed in the Fifth Session, which was directed to the

Election Commission. The Speaker further mentioned that the delimitation should not be altered until 10 years and, there was no need to vote, since there was no option to the proposal submitted by the Ministry of Works and Human Settlement.

The National Council member of Gasa Dzongkhag submitted that if everything has to strictly go by the law, then the notification declaring the second round of Local Government Election would also be considered as illegal. He further submitted that the alteration in the Gewog boundary after declaring 20 Yenlag Thromdes and 15 Dzongkahg Thromdes in the Fifth Session would also be considered illegal, since the Thromde boundaries were demarcated through the alteration made in the Gewogs boundaries. Therefore, he submitted that he did not see any problem in subjecting the new Thromde proposal to vote.

On this matter, after lengthy deliberation, when the House was asked to raise their hand if the House should vote for new Paro Dzongkhag Thromde proposal, out of 68 Members present, only 20 Members raised hand in favour of voting, and therefore since majority support was absent, the Paro Dzongkhag Thromde was decided to remain same as per the resolution passed during the Fifth Session of the Second Parliament. *(25th Day of the 4th Month of the Fire Male Monkey Year corresponding to the 31st May 2016).*

5. Resolution on the National Budget Report for the Financial Year 2016-2017

The Minister for Finance presented the National Budget Report for the Fiscal Year (FY) 2016-17, which is the fourth Year of the 11th Five Year Plan, as mandated under the Article 14(8) of the Constitution and the Section 47 of the Public Finance (Amendment) Act 2012.

The budget for the Fiscal Year 2016-2017 is targeted towards achieving “Self-Reliance” and “Socio-Economic Development”. Moreover, it was further aimed at improving Health Services, Agriculture and Animal Facilities, double-laning of Northern East-West Highway, establishment of central schools and rural electrification.

It was submitted that a proposal has been put up in the Budget that the Dzongkhags would receive 7 million Ngultrum each year as the Dzongkhag Development Grant from the 11th Five Year Plan, similar to the 2 million Gewog Development Grant allocated to the gewogs.

Similarly, a new Chapter was incorporated in the Budget Report on the Foreign Direct Investment in accordance to the resolution of the previous Session. It was also submitted that a proposal was put up in the Budget on few taxation measures. Further, it was reported that the Rupee shortage in the Country was resolved through efforts made on the Rupee Management.

The Annual Budget of the Fiscal Year 2016-2017 has been approved with the focus to maintain total financial deficit at manageable limit, and to make reasonable expenditure to maintain resources gap. Furthermore, it was submitted that the Fiscal Year 2016-2017 budget was prepared in consultation with RMA based on RMA’s Act 2010 and its policy on raising loan and resources gap which is presented below in 12 sections.

5.1 Financial Operation and Performance of the Fiscal Year 2014-2015

The Fiscal Year 2014-2015 closed with a fiscal surplus of Nu.1,896.795 million. It was submitted that the total resources realized was Nu.36,231.052 million as against the total outlay of Nu.34,334.258 million. It was also submitted that as mandated by the Constitution

and the fiscal policy of the Government, the recurrent expenditure was fully financed by the domestic revenue.

Further, it was reported that the total expenditure during the FY 2014-15 was Nu.36,475.848 million, which is about 29% of the GDP. The current expenditure was Nu.21,032.044 million recording an increase of 17.2% over the previous FY, which was estimated at 16.7% of the GDP. It was submitted that the capital expenditure of Nu.15,443.805 million, which is 12.3% of the GDP was about 7.3% lower compared to the previous year.

It was further submitted that the realized domestic revenue for the FY 2014-15 was Nu.25,141.030 million, which was an increase of 8.2% from the previous FY. The total external grants received was Nu.9,955.020 million which accounted for about 27.5% of the total government resources. It was also submitted that the total public debt outstanding as on 30th June 2015 was Nu.120,783.002 million accounting for 96.5% of the GDP.

5.2 Revised Budget for the Fiscal Year 2015-2016

It was submitted that the approved outlay for the FY 2015-16 was Nu.45,504.591 million with fiscal deficit of Nu.4,486.703 million and resource gap of Nu.4,089.738 million. The incorporation of external fund of Nu.2,903.381 million after adjustment of previous years' advances of Nu.453.268 million have led to the increase of revised budget to Nu.47,954.254 million. And the financial situation have improved with the fiscal deficit improvement of 3% in GDP as a result of increase in the domestic revenue from Nu.26,145.124 million to Nu.26,293.685 million.

5.3 Budget Estimates for the Fiscal Year 2016-2017

It was submitted that; the budget for the FY 2016-17 is formulated

considering the Government's priorities and importance to complete the 11th FYP activities in the next two years. The total resources estimated for the FY 2016-17 is Nu.41,605.862 million, of which the domestic revenue accounts for Nu.27,247.169 million and external grants is Nu.14,338.693 million. The estimated domestic revenue of Nu.27,247.169 million represents about 3.6% increase from the previous fiscal year. Further, the estimated external grant of Nu.14,338.693 million comprise of program grant of Nu.1,700 million and project-tied grant of Nu.12,638.693 million. Therefore, the external grant is estimated to cover 27.6% of the total expenditure. And the total estimated expenditure of Nu.51,884.364 million consists of about 49% of the current and 51% of the capital expenditure.

It was submitted that; the allocation of Budget for the Health and Education Sectors; Legislative and Judiciary; and Constitutional Bodies was Nu. 54,828.228 Million. And the 2016-2017 Budget Allocation Bill was also submitted along with the Budget Report, and the details of the allocation could be found in the Budget Report booklet.

5.4 Tax Measures

It was submitted that; as per section 46(A) of the Public Finance (Amendment) Act 2012, the tax measures were initiated to resolve the adversities of the low-income group due to inflation and reduction in money value in the country. The exemption of tax on medical drugs and books were proposed to improve Health and Education services and likewise the proposal for revision of Personal Income tax. Similarly, a proposal on revision of taxes and other levies on minerals have been made in the Budget as Money Bill.

5.5 Macro-Economic Performance and outlook

It was submitted that the other economic parameters has been improving except the recurrent account deficit due to the economic growth rate from 2.1% in 2013 to 5.5% in 2014. The average inflation rate of 4.58% in 2015 is estimated to fall to 2.98% by February 2016. Similarly, the general unemployment rate had decreased to 2.5% in 2015 from 2.6% in 2014 and the urban unemployment rate was 6.3% in 2015 as compared to rural unemployment of 1% in 2014.

Likewise, it was submitted that the substitution of import by export earnings in terms of goods improved marginally to 57.98% in the FY 2014-15 from 57.63% in the FY 2013-14. It was also submitted that the current account deficit escalated to Nu.36.1 billion in the FY 2014- 15 from Nu.29.7 billion in FY 2013-14.

It was submitted that regarding the balance of payment, there was a surplus of 3.8% of GDP in the FY 2013-14, however, at the end of FY 2014-15 there was deficit of 0.4% of GDP. The international currency reserves had built up to US \$ 916.9 million by the end of June 2015, which was more than adequate to meet 20.3 months of essential imports as mandated by the Constitution.

It was further submitted that the domestic credit was at 7.6% as of June end, 2015, while the non-performing loans (NPL) ratio decreased from 12% in the FY 2013-14. to 9.5% in the FY 2014-15. The economy is estimated to grow at 7% in the FY 2015-16 as against estimated growth of 5.2% in the previous FY, while the economy was also projected to grow at about 7.7% in the FY 2016-17. It was also submitted that the current account deficit, which was at 31.1% of the GDP in the FY 2015-16 was estimated to improve at 27.7% of GDP in the FY 2016-17. Likewise, in the medium term,

the current account deficit is projected to improve at 19.7% of GDP in FY 2017-18 and 11.8% of GDP in FY 2018-19. It was submitted that the total international currency reserves at the end of FY 2015-16 is estimated at USD 937.300 million, an increase of 2.2% compared to the previous year, Further, it was reported that in 2016-17 and subsequent years, it is projected that international reserves would increase by about 22%.

It was submitted that the trade balance as a percent of GDP is estimated from 25.4% in FY 2015-16, to 22.7% in FY 2016-17 which was further projected to improve to 15.6% in FY 2017-18 and 6.6% in FY 2018-19 with the completion plan of three mega hydropower projects in 2018 and 2019.

It was submitted that the external debt outstanding for the FY 2016-17 is projected to be Nu.164,253.438 million which is around 104.2% of the GDP and by the end of the FY 2017-18, it was projected to further increase to Nu.188,480.548 million

5.6 Royal Monetary Authority

It was submitted that during the financial year 2015, the RMA based on economic situation has fixed the base interest rate for financial institutions between 10.49% to 11.56% and for the non-financial institutions at 11.57%. It was also reported that compared to 2014, the minimum interest rate have increased marginally from 10.32% to 10.49%, mainly due to the raise in Cash Reserve Ratio from 5% to 10% in March 2015.

It was submitted that on the operational front, the total operating income for the FY 2014-15 was Nu.1.6 billion, which is an increase of 33.3% from Nu.1.2 billion in 2014. It was also submitted that with regard to the expenditures, total operating expenses grew by 17.6%

from Nu.272.2 million in 2014 to Nu.320.2 million in 2015. It was further submitted that the gross surplus for the year was Nu.1,282.4 million while the net surplus amount submitted to the government was Nu.788.678 million.

5.7 State Owned Enterprises (SOE)

It was submitted that out of 34 state owned enterprises, five of them were newly established. It was also submitted that the average revenue growth of SOEs was 17%, while the total assets of SOEs have grown over the years to Nu.220,900 million in 2015. Likewise the Shareholders' Fund has also given rise to Nu.95,659 million from Nu.90,765 million, while the Government's investments in SOEs have also grown from Nu.80,288 million to Nu.84,071 million. It was further submitted that in general, SOEs have contributed total of Nu.10,077.781 million to the Government through tax a sum of Nu.6,215.81 million and dividend of Nu.3,861.97 million. It was also submitted that the SOEs' reserve account, net worth and assets could be found in the detail report booklet.

5.8 Druk Holding and Investment Company

It was submitted that the total asset of DHI grew by 2.65% and similarly, the net worth of the company had also increased by 2.82%. It was reported that during the year, the Government had transferred the Wood Craft Center Ltd. worth Nu.73.32 million and the Construction Development Corporation Ltd. worth Nu.421.38 million to DHI which brought about increase in the asset holding of DHI.

It was further submitted that the total asset had increased from Nu.5.02 million in 2014 to Nu.368.01 million in 2015, due to aggregate accounting of cash and cash convertible assets. It was

further submitted that during the year, dividend remittance from DHI increased by 2% from Nu.1,813 million to Nu.1,850 million, while the rate of growth in dividend contribution peaked at 15% in 2014.

5.9 National Pension and provident Fund (NPPF)

It was submitted that in 2015, the National Pension and Provident Fund's (NPPF) assets grew from Nu.1,749 million to Nu.2,046 million and generated an income of Nu.1,540 million, an increase of 20% over the previous year, which had reached a total increased fund size of Nu 20,463 million.

As of June 2015, the NPPF with fund size of Nu.20,463 million and credit portfolio of Nu.4,930.52 million, currently the funded ratio of civil and armed force are 47.20% and 34.43% respectively.

5.10 Trust Funds

It was submitted that the Cultural Heritage Trust Fund as on the 31st March 2016 was Nu.59.705 million as compared to Nu.55.523 million in the previous year which is an increase of 7.5%. It was also submitted that no expenditure could be made out of the Trust Fund unless the total fund reaches USD 1.00 million as mandated by the Royal Charter. It was further submitted that the detail report on Environment Conservation Fund, Information and Technology Service Fund, Health Trust Fund and Education Endowment Funds are mentioned clearly in the Budget booklet.

5.11 Hydropower Development in Bhutan

It was submitted that currently, the country has tapped total hydroelectric generation capacity of 1,606 MW through Chhukha Hydropower Plant (336 MW), Kurichhu (60 MW), Basochhu I and II (64 MW), Tala (1,020 MW) and Dagachhu (126 MW). It was also submitted that the financial estimates, outcomes and construction

status of the on-going five Hydropower projects like Nikachhu Hydropower, Kholongchhu Hydropower, Mangdechhu Hydropower Project and Punatsangchhu I and II are clearly provided separately in the Budget booklet. It was further submitted that in order to fulfill the objective of harnessing 10,000 MW by 2020, the Government is in the process of exploring and developing further hydropower projects. Pre-feasibility and feasibility studies on Gamri I and II, Nyera Amari I and II, Dangchhu, Chamkharchhu II and IV, Dagachhu II, Manas, Dorjilunm, and Kuri-Gongri are ongoing.

5. 12 Foreign Direct Investment (FDI)

It was submitted that with the approval of 5 projects in 2015 by the Government, there are 51 FDI projects in the country. It was also submitted that out of 51 projects, 33 are fully operational and 18 are in the construction stage, although, employment generation is one of the main contributions of the FDI. It was submitted that as of December 2015, a total of 4,473 employees are being employed in 33 FDI projects and contributed revenue of about Nu.1,178.811 million as tax to the Government. It was further submitted that a net FDI capital during the three year period from 2012 to 2014 was recorded at Nu.26.39 million which accounts less than 1% of the total foreign reserves accumulated in each year.

Conclusion

It was submitted that the Budget for the FY 2016-17 should be considered as significant one, due to the year being extra-ordinary and special one that marked another milestone in the country's history. It was submitted that the budget for 2016-17 was made possible in general due to the blessings of guardian deities and in particular due to constant guidance of their Majesties the Kings, the budget will bring greater socio-economic development, peace, happiness and

ensure sovereignty more than ever before.

After the presentation of the Budget Report, the House extended appreciation to the Constitutional Bodies, Ministries and Departments, Agencies and Corporations, and local government leaders for meticulously preparing their budgets and submitting it to the central government, and attributed the successful presentation of the Budget Report for the Fiscal Year 2016-2017 for their supports. The House further attributed and extended appreciation to the Officials from the Ministry of Finance for compiling and preparing a Money Bill.

Prior to the commencement of discussion on Budget Report, the Speaker informed that the as per standing procedure of the house guided by the Legislative Rules of Procedure, the Finance Committee was directed to review the National Budget Report for the Financial Year 2016-2017, Supplementary Budget Appropriation Bill for the Financial Year 2015-2016, Budget Appropriation Bill for the Financial Year 2016-2017, Annual Financial Issues closed as of 30th June, 2016, and Revised Taxes and Levies Bill of Bhutan (Money Bill) 2016 as per the mandate of the Committee. The deliberation on the Budget Report concluded with a reminder to the House that the recommendations on the Budget Reports by the Committee will be deliberated on the 9th and 10th of June, 2016. *(26th Day of the 4th Month of the Fire Male Monkey Year corresponding to the 1st June, 2016).*

6. Resolution on the Motion to withdraw the Income Tax (Amendment) Bill 2016 from the Agenda

The Minister for Finance submitted that in the Year 2011 and 2012, when government introduced tax bill to raise the tax in the country it did not present a separate Tax (Amendment) Bill rather it was

combined with the National Budget Report. Similarly, the personal Income Tax (Amendment) Bill for 2016 is presented as a Money Bill in Chapter 4 of the National Budget Report for the Financial Year 2016-2017. It was submitted that there was no need for a separate deliberation on the Income Tax (Amendment) Bill 2016, since the House has accepted and directed the Finance Committee with the mandate to review the national Budget Report. Therefore, the house was asked to take this into cognizance and accept withdrawal of the Income tax from the agenda. In this regard, the Member of Chumey-Ura Constituency also supported the Minister In-Charge of the Bill with similar reasoning to withdraw the Bill.

On this, a Member opined that there is a need to study and amend few Sections in the Income Tax Act, since the Income Tax Act 2001 was in force before the institution of democracy came into existence. He also opined that, while Finance Committee is reviewing the ceiling for the Income Tax, it would be beneficial, if the committee could also come up with amendments to whole or few Sections of the Income Tax Act 2001,

The Minister for Finance responded that while there is genuine need to amend the Income Tax Act 2001, it is doubtful that house may not be able to do justice since the House is also going to deliberate on the Customs Bill in this session. He also submitted that the review of Income Tax Act 2001 is in full swing, except that it was not submitted in the House for wholistic amendment of the Act.

It was further submitted that the reasons for the proposed amendment of three Sections of the Income Tax Act 2001 are due to economic situation and inflation in the country. It was opined that it would be

beneficial, if the comprehensive deliberation on the Income Tax Act 2001 amendment could take place after deciding on the three most crucial Sections - increase in Personal Income tax ceiling; exemption of tax on the medication and medical equipments, and books; increase of minerals and mining tax.

The House took the cognizance of withdrawal motion as not requiring a separated deliberation in the House on the proposed tax measures rather it would be discussed as the Money Bill together with the National Budget 2016-17 Report of the Finance Committee on the 9th and 10th June. The House with show of hands decided to hold discussions on the aforementioned dates. The deliberation concluded with the reminder to the House to participate in the Finance Committee's consultative meeting to address the concerns and express the opinions, if any. *(27th Day of the 4th Month of the Fire Male Monkey Year corresponding to the 2nd June, 2016).*

7. Resolution Implementation Status Report

7.1 Resolution on the Report of the Women, Children and Youth Committee (WCYC)

The Chairperson of the Women, Children and Youth Committee presented the Reports on the National Youth Action Plans and National Policy and Strategic Framework on Alcohol reduction; Maternity Leave and Convention on the rights of Person with Disabilities; Teenage Pregnancy and Entitlements of the Village Health Workers; to provide adequate health workers and play materials for child care and development; to institute a system to provide essential facilities to the mothers of newborn babies and patient diet; to harmonize Marriage Act, Penal Code of Bhutan and Child Care and Protection Act. The Committee had also submitted the following five recommendations:

- a) The Cabinet to endorse and implement the National Youth Action

Plan before the 8th Session of the Second Parliament.

- b) The Ministry of Health in consultation with relevant agencies to report the implementation status of the National Policy and Strategic Framework to reduce the use of Alcohol, 2013-2018, in the 8th Session of the Second Parliament.
- c) Ministry of Foreign Affairs to form High-Level Inter Agency Task Force at the earliest possible with full engagement from all the relevant stakeholders to ratify UNCRPD.
- d) Ministry of Labor and Human Resources (MoLHR) to continue working on the increasing maternity Leave/supplements/incentives for working mothers outside the scope of civil service and report to the House in the 8th session of the Second Parliament.
- e) The House to provide guidelines on the endorsement of the Teenage Pregnancy Reporting Mechanism in the hospitals.

The House while deliberating on the recommendations one by one, some Members questioned that from the Government, when could the Cabinet approve National Youth Action Plan. It was also submitted that the Ministry of Education and Labour and Human Resources should initiate short-term trainings to provide skills and knowledge for the unemployed-youths. It was further submitted that the Six months maternity leave has benefited the women in the Civil Service in general, however it has created inconveniences in the Ministry of Education and Health, and it has to be resolved immediately. Moreover, it was questioned if there are policies and plans to support the women working in the private and non-governmental organizations to avail such leave or if there is any support to women farmers in any form of resources.

On this, the government clarified that the National Youth Action Plan would be approved and implemented at the earliest possible, after

the extensive review report submitted to the Cabinet by the relevant agencies. The government also submitted that the Six month maternity leave was provided mainly with the policy to improve the health of the child and mother in general, irrespective of whether they are civil servant or private employee. It was also informed that though it had been passed and implemented in the Civil Service, the consultation works are on-going to examine the possibilities and situations in the private sector and other agencies.

Moreover, it was submitted that, the Employee and Labour Act 2007, mandates the Ministry of Labour and Human Resources to monitor and provide security to the employees. It was also submitted that a proposal would be submitted at the earliest as a measure to resolve the issue by the Ministry of Labour and Human Resource, since it has been meticulously examining the agencies through consultations. It was also opined that the problems faced in the Ministry of Education and Health may be caused due to the schools and hospitals located in the far flung villages and extraordinary leave availed and, not because of the Six months maternity leave. Some Members opined that a new Act should be drafted, if the House supports such issues, since the government cannot directly propose to provide maternity leave for the farmers and employees in the private and agencies, however, very serious thought should be given before drafting such Act.

Similarly, while deliberating on the draft guidelines for the teenage girls to report while visiting hospitals to deliver, some Members opined that they could not support the draft guidelines, since it would defeat the very principle of the Act, because the very principle of making it illegal in the Penal Code of Bhutan was to safeguard our teenage girls. Some Members opined that the recommendation should

be removed and the Legislative Committee of the National Assembly and the National Act Harmonization Committee under the initiative of the Women, Children and Youth Committee shall submit a report in the 8th Session, after harmonizing the Penal Code of Bhutan and Child Care and Protection Act.

Similarly, on the proposal of the Committee with regard to National Youth Action Plan and the National Policy and Strategic Framework on Reduction of harmful Alcohol to be approved by the Cabinet at the earliest possible, some Members opined that it is not required to report to the House on the matter, since it was the mandate of the Executives to implement the Strategic and Framework policy.

Moreover, on the International Convention on the rights of Person with Disabilities, it was opined that the recommendation should be removed, since it was required to consult with the agencies and meet the international standards - it should be directed to the Foreign Ministry to frame a policy on the procedure to implement under the Ministry's initiative.

The House submitted numerous opinions on the recommendations submitted by the Committee. Further, the House repealed the recommendation number a, b, c and e, and, made some changes to the recommendation number d. The House added two supplementary proposals and passed as mentioned below with the acceptance by majority.

- a) The Ministry of Labour and Human Resources to create awareness and consult with the Non-Governmental Organizations, Agencies and Corporations, which are outside the purview of the Civil Service, on the measures to provide maternity leave/supplements/incentives to the working mothers and, submit a status report in

the 8th Session of the 2nd Parliament.

- b) The Ministry of Foreign Affairs to form a high-level Task Force at the earliest possible to frame a policy on the way forward on the International Convention for the disabled people.
- c) The Legislative Committee of the National Assembly and the National Act Harmonization Committee under the initiative of the Women, Children and Youth Committee to harmonize the Penal Code of Bhutan and Child Care and Protection Act and, submit a report in the 8th Session.

The deliberation on the Women, Children and Youth Committee concluded with the House extending appreciation to the Women, Children and Youth Committee for working hard to present a report as per the resolution of the 6th Session to deliberate in the House. *(27th Day of the 4th Month of the Fire Male Monkey Year corresponding to the 2nd June, 2016).*

8. Question Hour: Group A- Questions asked to the Prime Minister, Minister for Information and Communication and Minister for Home and Cultural Affairs

- a) The Member of Kabji-Talog Constituency submitted that as per the Road Safety and Transportation Authority (RSTA) rules, the taxi drivers above the age of 60 years are not allowed to drive taxis. Most of the owners of taxis are on debts. It was submitted that it would be immensely beneficial if based on the medical fitness certificate issued by MoH, if the taxi drivers could have opportunities to continue their services to enable them to pay their debts. Thus, the Member questioned the Minister for Information and Communication on the possibility of increasing the age limit of the taxi drivers.
- b) The Opposition Leader submitted that although the establishment

of Community forests had benefitted the people in length, some of the agencies were removed while some new agencies were also created based on the OD recommendations. Since there are concerns that OD recommendation would affect the implementation of Government policies and plans, the Member questioned the Prime Minister on how consistent were the OD recommendations with the Local Government Act and the Forest and Nature Conservation Act 1995.

- c) The Member from Drametse -Ngatshang Constituency submitted that the rural people deprived of sufficient land holdings had built temporary structures in the government lands. On that, the Government had issued directives that those structures should be removed. Submission was made that the directives have not been implemented uniformly since the structures in some Dzongkhags were not removed while some had been removed. Therefore, the Member questioned the Minister for Home and Cultural Affairs on the possibility of formulating uniform regulations in consultation with the National Land Commission and the Ministry of Agriculture and Forests.
- d) The Member of Bumdeling-Jamkhar Constituency questioned the Minister for Information and Communication regarding the helicopter services in the country which had been six months into operation. And to provide the details of the monthly operational cost, average income and total number of services provided on medical, cabinet ministers and fire mitigation purposes to promote transparency and equity of services among the public.

(28th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 3rd June 2016).

Note: the deliberation and answers on the above questions can be

referred in the verbatim of the Questions Hour which has been printed separately.

9. Resolution on the Third Reading of the Customs Bill of Bhutan 2015

The Chairperson of the Economic and Private Sector Development Committee presented the Third Reading of the Customs Bill of Bhutan 2015 and submitted that following the First and Second Reading of the bill in the 6th Session, the House had directed the Economic and Private Sector Development Committee to review the Bill and submit recommendations to the house for the Third Reading.

Accordingly, the Chairperson reported that the Committee had consulted with the relevant Private Agencies, Ministries and Departments and reviewed a total of 22 Clauses and 190 Sub-Sections in the Bill. He further submitted that the Committee had amended 49 Clauses and incorporated few new Clauses in the Bill and made some recommendations for the deliberation and consideration of the House.

Thereafter, the House deliberated on the bill section by section and endorsed the Committee's recommendations with some amendments as presented in Annexure 8 and the Third Reading of the bill was concluded. *(28th Day of the 4th Month of the Fire Male Monkey Year corresponding to the 3rd June, 2016).*

On the 3rd Day of the 5th Month of the Fire Monkey Year corresponding to the 7th June, 2016, the Minister In-Charge of the Bill, Minister for Finance as per Legislative Rules of Procedure submitted to the House for adoption of the comprehensive Customs Bill of Bhutan 2015. The House as per the Rules of Procedure, subjected the bill to vote, where the Customs Bill of Bhutan 2015 was passed with the majority voting in favour of the Bill- 38 voted "Yes", 1 voted "No"

and none abstained out of 39 Members present during the voting. The detail voting result is presented in **Annexure 9**.

10. Question Hour: Group B- Questions asked to the Minister for Agriculture and Forests and Minister for Education

- a) The Member of Phuentsholing Constituency submitted that although the Land Act 2007 had not been implemented for several years, the lease for Tsamdro lands had been started from Punakha dzongkhag since 2014. Therefore, the Member questioned the Minister for Agriculture and Forests on the status of Tsamdro lease and the opportunity for leasing of Tsamdro lands for the people.
- b) The Member of Panbang Constituency submitted that although the Government had pledged to provide enough facilities to the students and teachers in the Central Schools and Autonomous schools, one overwhelming problem was huge additional responsibility to the teachers without any additional incentives or compensations. Moreover, the Government had instead centralized powers on procurement causing numerous problems of efficient and effective administration of the schools. Therefore, the Member questioned the Minister for Education on the steps taken up by the Government to solve those issues.
- c) The Member of Nganglam Constituency questioned the Minister for Agriculture and Forests to brief the House on the status of farm equipment distribution to the farmers and farm products purchased from the farmers through the farm shops established in the Gewogs and Dzongkhags.

(3rd Day of the 5th Month of the Fire Male Monkey Year corresponding to the 7th June 2016).

Note: the deliberation and answers on the above questions can

be referred in the verbatim of the Questions Hour which has been printed separately.

11. Resolution on the Anti-Corruption Commission's Annual Report 2015

The Deputy-Chairperson of the Good Governance Committee presented the Anti-Corruption Commission's 9th Annual Report as per the Section 4 of Article 27 of the Constitution of Bhutan.

- a) The Anti-Corruption Commission had reported that it was reorienting itself in order to bring a balance between its investigative function and its preventive awareness and education functions. The Commission had also reported that the Commission had been working on some initiatives undertaken by the previous commission and undertaken investigation activities too. The Commission's long-term priorities would be Reducing the Backlog of Complaints', Enhancing Prevention and Awareness Programmes and, Professionalizing and Enhancing Investigations.
- b) The Commission has reported that during the period of the Report, it received 283 complaints of which 41 were assigned for investigations, and of the 41 cases, 36 had been forwarded to the OAG for prosecution. Of the total complaints, only 14.8 % were decided for investigation, over 25% were dropped, 6.4% for discreet inquiry. Currently, it had a backlog of 529 cases and mounting.
- c) Regarding the Phuntsholing investigation cases, the Commission had completed investigation of 30 cases including 27 cases of "fronting", and sent to the OAG for prosecution. The restitution sought would be Nu. 594.79 m. It was reported that they have assumed the investigation of land case, which was stalled due

to the focus on the Phuentsholing case. The ACC has submitted that they were working closely with the RCSC to address the human resources constraints. The ACC has submitted that with the ending of donor-supported projects, the funding of its HRD is going to be affected adversely. On the other hand, under the Government's financing policy, budgetary supports for HRD are not provided unless they are donor-funded. Therefore, in order not to let the HR quality deteriorate, the budget embargo on HRD be lifted in the case of ACC. To expedite resolving the corruption related cases, the Commission suggested that a separate court or benches for prosecution of corruption cases be instituted. Alternatively, it has suggested that a procedure should be made for the corruption cases to be registered directly with the High Court. One of the challenges the ACC faced was that after months and months of investigation and filing the papers to the OAG for prosecution, the OAG changed the nature of the cases to civil cases and sending them to the respective organizations for civil prosecution. This demotivates the efforts of the Commission. The Commission has recommended that 'fronting' be included as a criminal offence in the relevant laws, since it was difficult for the OAG to prosecute the case.

- d) As per the Supreme Court order, OAG is the responsible organization to keep in custody the seized properties based on the court verdict. However, OAG due to lack of human resources and overwhelming number of cases for prosecution has not been able to fulfill the responsibility. The ACC has suggested that there should be a separate agency created to maintain seized properties by the Commission and relevant agencies..
- e) As directed in the 5th Session of the 2nd Parliament to address the

problem of human resource constraint in consultation with the Royal Civil Service Commission, the Commission has created an organizational structure along with the staffing and recruitment proposals and submitted to the RCSC and has received a positive response. The Commission had also submitted three recommendations to the government on the policy to import Electric Vehicles.

The Good Governance Committee submitted eight recommendations after acknowledging and accepting the Anti-Corruption Commission's Annual Report.

- a) The suggestion to earmark a certain percentage of budget by the government to the Anti-Corruption Commission as per the provisions of the Acts, due to the yearly suspension of donor funds.
- b) The RCSC and the Ministry of Finance should work out to allow the ACC to send its staff for ex-country training through the government fund.
- c) As had been reflected in previous reports of ACC, GGC submits that the prosecution of cases be accelerated through the strengthening of OAG and the setting up of a separate bench of courts for corruption cases.
- d) There are several law enforcement agencies including ACC that seize goods and properties. GGC recommends that a division under the Department of National Properties be created to manage seized goods and properties.
- e) Relevant laws should be amended to define "Fronting" as the criminal offense. The Government may also examine the possibility of considering the conversion of fronting business to

FDI.

- f) On behalf of the Executive Branch as interpreted by the Supreme Court, the OAG shall assume the responsibility of execution of restitution of money and the enforcement of judgments passed by the Courts.
- g) ACC should continue to outsource studies and research to universities and institutes as part of prevention measures.
- h) OAG should avail the services of Legal Officers in the Dzongkhags for the prosecution of cases in their respective and nearby Dzongkhags. Accordingly budgetary provisions should be kept to cover the costs involved in their travel, etc.

The House, while deliberating on the Report, some Members opined that it is of paramount importance to have a fair and just government to prevent and avert corruption. It was also opined that the Acts like Right to Information Act would also further aid in preventing and curtailing corruption. Some Members also opined that it would be of significant benefit to resolve the pending cases, if the government could provide budget support to recruit people on contract, to ease the human resource problem in the Commission.

It was submitted that the Report does not reflect any reports on the state properties re-claimed and not being able to re-claim because of the corruption and economic burden put on the government due to corruption, rather it was all about the Financial and Human Resource Shortage. It was also submitted that the Dagapela Highway was suspended in the midst of working due to the corruption allegation by the Anti-Corruption. However, it was reported that there was no corruption in the procedure. On this, it was submitted that it is imperative for the Anti-Corruption Commission to consult

with the government prior to such procedures, since it creates an inconveniences to the people in the locality and economic burden on the government. The House after having extensive deliberation had passed resolutions on the eight recommendations submitted by the Committee as mentioned below:

- a) The House repealed the recommendation on “the suggestion to earmark a certain percentage of budgets by the government to the Anti-Corruption Commission as per the provisions of relevant Acts due to the yearly suspension of donor funds”, since the government has provided adequate funds for this time.
- b) The House on the recommendation that “the RCSC and the Ministry of Finance should work out to allow the ACC to send its staff for ex-country training through the government fund”, recommended the Anti-Corruption Commission, Ministry of Finance and Royal Civil Service to work in consultation with each other and look for measures to resolve the issue.
- c) The House passed the recommendation submitted on the plea to the Judiciary on the institution of a separate bench in the courts to prosecute corruption related cases to expedite resolving the pending corruption cases.
- d) The House on the recommendation “to establish a division under the Department of National Properties to manage seized goods and properties by the law enforcement agencies including ACC”, recommended the Ministry of Finance to carry out comprehensive study in consultation with the agencies and submit a report to the House.
- e) The House on the recommendation “to define fronting as the criminal offence after amending relevant laws”, recommended the Ministry of Economic Affairs to initiate an extensive study

with the relevant institutions and Committees and submit a report in the 8th Session.

- f) The House passed the recommendation submitted “to bestow the responsibility of executing restitution of government properties to the OAG as per the interpretation by the Supreme Court”.
- g) The House passed the recommendation submitted on the ACC to continue with the outsourcing of studies and research to universities and institutes as part of prevention measures.
- h) The House passed the recommendation submitted on the OAG to avail the services of Legal Officers in the Dzongkhags for the prosecution of cases in their respective and nearby Dzongkhags and to create a budgetary provision to cover the costs involved in their travel, accordingly.

The National Assembly of Bhutan extended appreciation to the Chairperson, Commissioners, Officers and all the Officials in the Anti-Corruption Commission for effectively serving without fear, partisan and discrimination, keeping in mind the goal of the nation and the people. The 9th Anti-Corruption Commission’s Annual Report concluded with extending appreciation to the Good Governance Committee for presenting effective report to the House. *(3rd Day of the 5th Month of the Fire Male Monkey Year corresponding to the 7th June, 2016).*

12. Resolution on the Motion by the Opposition Party to release the Economic Stimulus Plan (ESP) Fund to the Bhutan Development Bank Corporation Limited (BDBL).

The Member of the North-Thimphu Constituency on behalf of the Opposition Party moved the Motion to close down the Business Opportunity and Information Center (BOIC) or Rural Enterprise Development Corporation (REDC) and to release the Economic

Stimulus Plan (ESP) funds to Bhutan Development Bank Limited (BDBL). He submitted that the government has established the REDC to manage the Nu. 400 Million in the Revolving Fund-II of the ESP and with the plan of taking back the Nu. 2.10 billion that had been released to the banks. He also submitted that since government has already allocated the Nu. 1.90 billion for the Small and Medium Enterprises (SMEs) and other projects under Revolving Fund I to the BDBL for its management and disbursement, the Opposition party, therefore, would like to move the three Motions mentioned below:

- a) Move that the BOIC's entire funds be transferred to BDBL along with the responsibilities for its operation with clear terms and conditions and guidelines for the use of the funds.
- b) Move that the Economic Development Committee of the House conduct a thorough review of the performance of BOIC since its inception including the recently conducted audit report and submit to the House.
- c) Move that the Legislative Committee of the House to review the legitimacy of establishing Agencies such as BOIC in the future.

He submitted that the rationale behind moving the Motion was based on the fact that the objectives and services provided by the BDBL – which was established in 1988 – and the newly established REDC – which was established by the government for the welfare of the rural people - are not different. He also submitted that the well-established BDBL has been serving the rural people with integrity until today and by all counts is seen as a better agency than the newly established REDC. He submitted that if the Economic Stimulus Plan budget of Nu. 400 Million is released to BDBL and close down the REDC, it would immensely benefit the government and the people.

He further submitted that it is needless to allege whether the

establishment of the BOIC or REDC by the government was in violation of the Public Finance Act of Bhutan. He submitted that there were problems faced by the people for not getting loans after submitting proposals which was prepared paying a sum of Nu. 50,000 to Nu. 100,000 to the consultants to avail loans. Further, he submitted that there would not have been any situation where people have mixed feelings on the project, had it been serving people unequivocally.

Moreover, he submitted that there were competent Officials and Officers recruited in the Regional, Gewog and Branch Offices of the BDBL. He also provided the number of households, accounts and detail evidences of loans and services provided yearly to the rural people by the agency. He further opined that it would be beneficial, if an Internal Dispute Settlement Committee could be formed to sort out amicably through consultation and exchange of views, rather than debating on the legality of the new institution put in place. He submitted that the Motion would immensely benefit the nation and the people in general, though the Motion was moved by the Opposition Party. He further submitted that the house should analyze properly and support the three aforementioned Motions.

Subsequently, the Speaker reminded the House that the deliberation would be confined to the legality, merits and demerits and principle of the Motion. He also reminded the Members that at the end, the deliberation should focus on the three motions submitted to the house. Clarifying on behalf of the government, the Finance Minister said that the similar arrangements are instituted by all countries in the world when they are confronted with such economic problems. He submitted that our Economic Stimulus Plan Fund was established

due to economic crisis in our country. He reported that under such economic situations, we may even have to resort using our planned budget to support such programme in cases where there are no alternative funding sources.

The Minister for Finance also submitted that the modalities of fund utilization was according to the recommendation of the Committee- which was formed from amongst the experts from relevant agencies. He further submitted that Nu. 1.9 billion was invested to utilize in the Economic Stimulus Plan and the Nu. 2.1 was injected in the banks to lend loans to the people.

The Minister for Finance also submitted that out of total of Nu. 1.9 billion in the ESP fund, Nu. 400 Million was allocated as Revolving fund II and Nu. 1.5 billion was allocated for Revolving fund I. He submitted that since the RMA did not have in place the utilization policy and procedures, the government had decided to place the Revolving Fund-I with BDBL and the Revolving Fund-II to be implemented through a separate agency depending on the economic situation in the country.

The Minister for Finance further submitted that the BOIC was established as a non-profit making agency, for the benefit and development of rural people through loans at 4% interest rate without any mortgage requirement. It was targeted to enhance the livelihood of the rural people

It was submitted that the REDC was instituted as per the Custom Act of Bhutan and the provision of the Public Finance Act of Bhutan; where it states that the government shall establish an Agency if it was deemed to be beneficial to the society. It was further submitted that it is a legally instituted agency with a license approved by the RMA as

per the Financial Act of Bhutan- where it states that the RMA has the sole authority to issue license for establishment of such institutions.

Furthermore, it was submitted that Nu. 5billion as ESP fund was approved in the first session of the second parliament. Since then, within last 1.5 years into implementation, BOIC has supported in establishment of 2156 livestock and small enterprises in addition to creation of employment. Going by the Section 74 (a,b,and d) of Public Finance Act, establishment of BOIC is not against law. Again, if BOIC was biased in dispensing loans, one should read the annual report of BOIC to have better understanding of disbursement of funds. Based on the above grounds, the government cannot accept the three motions of the opposition party.

On this, some Members submitted that though the principle for establishment of the BOIC was noble, however, at the time of its establishment procedures did not comply with the provisions of the Public Finance Act of Bhutan, Financial Act of Bhutan and the Constitution of Bhutan, therefore it is seen as illegal. Some Members opined that it would be better if a section could be established under the BDBL and utilize the funds separately, after the closing down the BOIC, without establishing a new agency like REDC.

Moreover, while the objective and the low interest rate is very favourable, the Agency has failed to use the budget efficiently even after 3rd year into the Five Year Plan. It was also submitted that henceforth, it is imperative to draft a proper procedure for the utilization of the budget and avoid unnecessary friction among the people.

On this matter, the House deliberated extensively on the legality issue of the agency, and whether or not is beneficial to the public. The

Speaker extended apology for not being able to provide opportunity to all the Members who wanted to express their concerns and views on the matter, even though, there were many Members who wanted to submit their opinions. The Speaker reminded the house that the decision on the three Motions would be passed through voting as per the National Assembly Act, Rules of Procedure and the Constitution of Bhutan. The voting results on the three Motions were as follows:

- a) The First Motion could not be carried, since 28 Members voted “No”, 16 Members voted “Yes”, and one Member “abstained”, out of 45 Members present during the Voting. The voting result is provided in the **Annexure 10**.
- b) The Second Motion also could not be carried, since 30 Members voted “No”, 15 Member voted “Yes” and none “abstained”, out of 45 Members present during the voting. The voting result is provided in the **Annexure 11**.
- c) The Third Motion could not be likewise carried, since 30 Members voted “No”, 15 Member voted “Yes” and none “abstained”, out of 45 Members present during the voting. The voting result is provided in the **Annexure 12**.

The Speaker reminded the House that the resolution was finally passed following the democratic procedures after extensive deliberation on the Motion submitted by the Opposition Party. The deliberation on the Motion concluded with the reminder to the House to provide continuous support keeping in mind the decorum and procedures of the House. *(4th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 8th June, 2016).*

13. Resolution on the Report by the Finance Committee on the National Budget Report for the Financial Year 2016-2017

The Chairperson of the Finance Committee presented the report on the budget report for the Financial Year 2016-17 reviewed by the Committee on the 9th and 10th June, 2016. He submitted that the report will be submitted in three parts on the Sector Budget Allocation, Tax Measures and National Budget and Macro-Economic. He also submitted that the report was prepared after extensive review in consultation with the relevant Ministries, Agencies and Sectors, while reviewing on the Budget Report for the Financial Year 2016-17.

13.1 Report on the National Budget for the Financial Year 2016-17 and Macro-Economics

It was submitted that Nu. 29,441.194 Million was allocated for the Capital Expenditure and Nu. 25,387.034 Million was allocated for the Recurring Expenditure, from the total approved outlay of Nu. 54,828.228 Million. It was also submitted that the following recommendation were submitted to prepare a transparent budget in the future, since there was no alteration in the budget allocated for the Sectors.

- a) The Gross National Happiness Commission (GNHC) and Ministry of Finance (MoF) to come up with the guidelines on how to formulate future budget in line with the GNH indicators and Planned documents. All Sectors were aware that budgeting should be done through the GNHC lens but need more advocacy and education during the planning phase especially for the Local Governments.
- b) GNHC and MoF to complete their studies on resource allocation formula for the 12th FYP.
- c) Government to review the budget activities that deteriorates

current account balance, especially, the construction of infrastructures.

- d) Government to carry out in-depth research on some of the key areas of concerns and pertinent issues on maintaining confidence in the Currency, Price Stability, Trade Agreement, Current Account, Net Errors Omission and Debt Burden.
- e) National Statistical Bureau, RMA, State Owned Enterprises, Druk Holding and Investment, Department of Revenue and Custom and Ministries to provide data on quarterly basis.
- f) GNHC to include a report on the Social and GNH Indicators in the budget.
- g) Budget for the Legal Aid, Research in the Parliament, and Women and Children to be approved in the FY 2016-17.
- h) There were numerous annual reports on the macro-economic indicators like RMA report, National Statistical Report, and MoF budget Report. The figures need to be harmonized,, for instance, like two figures for the GDP on the fiscal and calendar year. The current conversion was found not to be very scientific.
- i) The Audit Financial Accounts as of June 2015 was one-year-old and it was not very helpful for comparative analysis of the current budget report, which was meant for the following year. The provisional Non-Audit Financial Accounts as of March 31, 2017, to be provided for the next fiscal year.
- j) Consultation with the RMA on the budget report had been carried out; however, budget agencies would like to request RMA for more in-depth analysis and feedback on the impact of the budget on the Monetary Sector and External Account.

The Minister for Finance submitted that a new Chapter on the Foreign Direct Investment was incorporated in the FY 2016-

17 budget as proposed by the Finance Committee, alike the new Chapter on the Hydropower incorporated in the FY 2015-16 budget as directed by the House in the previous Session. He also submitted that the budget related recommendations submitted by the Finance Committee - which was instituted as per the provision of the Rules of Procedure(Amendment) of the National Assembly - had profoundly benefited in preparing the National Budget. He further submitted that it is important to deliberate in accordance with the recommendations submitted by the Committee after reviewing the budget report of the FY 2016-17.

The Members of Bartsham-Shongphu Constituency, Panbang Constituency, and the Opposition Leader submitted that it is imperative to provide a clear Internal Revenue Amount in Fiscal Year basis, since many facets in the budget report were examine through the internal revenue lens in accordance with the economic situations.

Similarly, some Members opined that the manufacturing industries were the indispensable sectors in booming the economy, creating employment in the future and it is important to reflect the status of the financial related agencies in the report. Some Members opined that the 2% budget allocated for the Manufacturing Industry indicated that the government did not place much importance to the Industry. It was further submitted that it is imperative to provide more efforts in the Manufacturing Industries, since the Industries were paramount in Foreign Direct Investments, Balancing Imports and Exports, Foreign Reserves and Money Peg value.

Some Members opined that it is required to provide significant budget in the industries dependent on Agriculture as many people were dependent on the agriculture in the country. Some Members

submitted that the Dzongkhag Development Grants should be allocated, depending on the population and development status of the Dzongkhags, since it was reported in the Audit Report that the funds were wasted and had created inconveniences in the society due to lack of proper procedure in the Gewog Development Grants. It was further submitted that it is important to prepare effective regulations and procedures prior to the allocation of the budgets.

Moreover, some Members opined that it is imperative to reflect clearly in the policies and plans on the concerned issues in the country, such as, unemployment, environment and culture preservations during the preparation of plans and budget. Some Members opined that it is important for the government to be conscious of the principle to make the country and the people self-sufficient as reflected in the Vision 2020, since it is the overarching policy and principle of the country. Members have also opined that the government should place more effort in increasing the production of the agriculture products, enhancing industries and curtailing imports in the country than relying on the other countries to resolve the unemployment problem.

In the same manner, some Members submitted that the government should refrain from establishing State Owned Corporation as possible as they could and that they were skeptical about the establishment of a new Corporation called Bhutan Green Corporation. Some Members opined that the government must look into the differences in the surplus amounts in the revised expenditure and budgets approved in the beginning of the 10 and 11 FYP. Some Members submitted that the government should take into consideration the opinions of the people where they assumed that the Gewog Development Grant was provided from the Gewog Budget Limit.

On this, the Ministers on behalf of the Government, submitted that the National Budget was prepared through a proposal submitted to the Government, as per the requirements of the Institutions, Agencies, Ministries and Local Government. The Ministers have also clarified that the National Budget was not prepared based on the decision made by the Gross National Happiness Commission and the Government. It was further opined that it is imperative for the Finance Committee to see the conveniences to review the Budget after collecting opinions from the general public.

It was submitted that there were numerous challenges and problems in establishing new industries, despite having the potential to create employments in the industries. It was also submitted that the government had been putting extra efforts in these areas and it was not reflected in the Budget as it was not relevant to financial matter, though the policies on Minerals, Foreign Direct Investment and measures to resolve unemployment were in place. It was opined that the National Budget for the Financial Year 2016-17 was prepared based on the principle and four pillars of the GNH, despite taking into accounts the principles and visions of the government. It was also opined that it was skeptical on the conveniences and inconveniences it would create, if any changes were made in the budget.

Similarly, it was submitted that the government had recognized the unemployment problem as a challenging and serious concern. It was also submitted that a huge budget was earmarked in accordance with the policies framed on the National Labour, Vocational Skills, Education Plans, Employment Environment, and General Knowledge. It was further submitted that the efforts had been made in the Internal Small and Medium Enterprises.

The Chairperson of the Finance Committee, on this, submitted that there is no need to worry, since the reasons for consulting general public while reviewing the National Budget was to recognize and resolve the inconveniences and problems faced by the people in utilizing the budget allocated by the government and not to alter the budget allocation ceiling. He also submitted that the Committee supports the incorporation of reflecting Financial Agencies Reports in the Budget Report in the recommendation.

Moreover, the Chairperson of the Committee submitted that the Finance Committee is in the process of reviewing the regulation and guidelines of the procedure of the Dzongkhag Development Grant prepared by the Budget Department. He also submitted that there were surpluses due to the surpluses in the First and Second Financial Year in the previous year, while the account deficit should be maintained at 3% as per the policy of the 11th FYP. It was also clarified that the deficit should be maintained below 2% towards the end of the 11th FYP. It was further clarified on the reason for allocating 2% to the industry among the Sector Budget allocation.

The Minister for Finance submitted the status of under-utilized budgets, revised expenditures, approved budget in the 10 and 11 FYP. He further clarified with examples that the Nu. 2 billion budget was provided as supplementary to the Gewog Development Grant and not from the Gewog Budget Ceiling.

The Member of Khar-Yurung Constituency submitted that the government should provide clarification on the deterioration of profits in the DHI and the establishment of State Owned Enterprise like Bhutan Green Corporation. He also submitted that the government should include agriculture related industries in the rural areas in the

top priority in the plans to boost the economy and create employment opportunities.

The Members of Dophuchen-Tading Constituency, Kabji-Talo Constituency, Deputy Chairperson and the Chairperson of the Finance Committee submitted that it is equally important to consider the outcomes reflected by the Royal Audit Authority on the Gewog Development Grant than being confined to the mistakes made. The budget allocated to the various agencies under the Ministry of Agriculture and Forestry along with the status of the budget was also submitted to the House. It was also submitted that the brief note on the budget deficit, imbalance between the import and export, general economic situation of the country would suffice. It was further submitted to support the recommendation on the requirement to provide strategies and measures for the infrastructure in the industry related activities.

On this, the Minister for Finance and Health submitted a clarification stating that the government has been working in line with the recommendations submitted by the Finance Committee. The House supported and decided to deliberate on each recommendation in sequence as recommended rather than confusing the issues.

The House passed the recommendation ‘a’ as submitted, since there was no one to oppose on the recommendation. On the Recommendation ‘b’, the Members of Drametse-Ngatshang and Panbang Constituency submitted that it would be beneficial in promoting balanced development if the baseline in the budget allocation used in the 11th FYP budget booklet could be used while allocating budget for the Dzongkhag Development Grant. It was also submitted that the budget allocation should be done after the revision.

The House passed the Recommendation ‘c’ and ‘d’ as there was no one to oppose. On the recommendation ‘e’, ‘f’ and ‘g’, Some Cabinet Ministers submitted that they could not support the recommendations, since it would create inconveniences in the future. The House with the show of hands decided to agree with the proposal on these recommendations to be submitted in the next Session or in the next budget report, after reviewing the possibilities in consultation with the relevant agencies.

The Opposition Leader submitted that the problem would be resolved if a separate table was provided with the inputs from the National Statistical Bureau on the above recommendations ‘e’, ‘f’, ‘g’, and ‘h’, since it were interconnected to each other.

The Prime Minister on this, submitted that it would be convenient for the government to execute the recommendations in consultation with the relevant agencies. If all the recommendations can be directed to the government as recommendations and not as resolution, differentiating the recommendations like E and ‘f’. The House with the show of hands approved to direct the recommendations as recommendations to the government and not as resolution.

The Minister for Finance and Health submitted that the recommendation ‘i’ should be removed for it would create more problems, since providing the financial accounts for the accounts which were not audited in the next Financial Year would be inconvenient. The House with the show of hands decided to repeal the recommendation I as supported by the member from the Panbang Constituency.

However, the Member of Panbang Constituency reminded that it is not right according to the mandate of the House to direct the recommendations to the government as recommendation and not as

resolution. He also reminded the House that the recommendations should be passed as resolution to the government to fix the accountability on the government.

The Minister for Finance submitted a proposal to remove the recommendation J, since it was reflected clearly in the Royal Monetary Authority Act. On this, the Member of Panbang Constituency, Bartsham-Shongphu Constituency and the Chairperson of the Finance Committee opined that the recommendation should be kept as it is for it would be useful in preparing the budget in the future. The House agreed to put the words in the recommendations bilingual as proposed by the the Member of Barthsam-Shongphu Constituency and decided to keep the recommendations as it is with the show of hands.

13.2. Resolution on the Budget Allocation for Agencies for the Financial Year 2016-17

The revision of budget allocation for various agencies along with its ceiling for the Financial Year 2016-17 was reported to the House. The following recommendations were submitted to help in planning the next annual budget:

- a. In the Agriculture Sector:
 - Food production to be monitored by the real time data
 - Research fund to be enhanced in the future
- b. Zhemgang Dzongkhag to receive higher budget allocation in the future annual plan
- c. Government to raise awareness on the access and utilization of fund from various Trusts Funds
- d. In the roads sector, government to consider:
 - Improving the specifications for the blacktopping of the remaining roads

- Mitigating the lack of technical personnel in the sector in OD exercise
- e. RCSC to monitor the usage of funds, including issue of proper guidelines including the donor funded HRD programmes
- f. The rationale for large differences in the geog budget allocation to be included in the budget report in the future
- g. Government to frame policies to decrease huge production import and carry out research on the merits and demerits.
- h. Government to come up with an intervention plan on how to assist the companies undergoing huge losses.
- i. As FDI leads to increased investments and employment opportunities, Government to encourage more FDIs especially those projects in line with GNH concepts and with lesser requirement of raw material imports but with higher potential for skill transfers.
- j. The budget report to include provisional expenditure statement (as of 31st March) on the General Reserve and the General Public Services. On that, and the Finance Minister submitted that Part I and II of the report had no difference and suggested that deliberating on the Part I of the report would be more convenient. Accordingly, the House accepted the submission and decided not to deliberate on the Part II of the report.

Following that, the Member of Panbang Constituency submitted that the recommendations in Part I and II of Finance Committee Report were different and expected to be deliberated separately, the deliberation on the recommendation and thorough deliberation on Supplementary Budget Appropriation Bill could not be held as well. Therefore, submission was made that he was in dilemma whether to vote for the adoption of Budget or not.

Subsequently, the Speaker reminded that in addition to the ten recommendations submitted by the committee, estimate Domestic Products, Economic Financial Report, Gewog and Dzongkhag Development Grants, and comprehensive regulations should be framed in order for helping to plan the next annual budget for better agricultural development and small cottage industries to maintain self sufficiency, minimum import and in solving unemployment. Moreover, additional recommendations were suggested that Dzongkhag Development Grants should be allocated as per the Budget allocation ceiling. The House accepted it through the raise of hand by majority and therefore, the House decided that those additional recommendations would be inserted in the next budget report.

The House sent appreciation to the Ministry, Agencies, Constitutional Bodies, Dzongkhag and Gewog Officials for their tireless service and report. Similarly, the House thanked the Chairperson and the members of the Finance Committee for comprehensive review. The Speaker reminded that the Committee should work as per the terms and conditions of the committee as prescribed in the National Assembly rules of Procedures while reviewing on the Budget Report. In addition, it was also highlighted that report should be compiled in one booklet and submitted rather than a separate one, and therefore concluded the deliberation on the Finance Committee's Budget Report 2016-17.

13.3. Resolution on the Revised Taxes and Levies Bill of Bhutan 2016 (Money Bill)

The Chairperson of the Finance Committee submitted that the House has forwarded the Revised Taxes and Levies Bill of Bhutan 2016 to the Finance Committee to review. While reviewing, the Bill was

submitted as a Money Bill by the Ministry of Finance where the tax basis was appropriate for the public suggestion. Accordingly, the Committee reached the consensus to support the bill and thus submitted the House to go through the Annexure ii of the bill and support the recommendation.

On that, the Member of Chumey-Ura Constituency reminded that the Revised Taxes and Levies Bill of Bhutan 2016 had been accepted by the House as a Money Bill. It was also submitted that, budget, urgent bills and money bills were the general specialty of the bill which should be passed in the same session.

The Member of Drametse- Ngatshang and Panbang Constituencies also mentioned that the bill was a money bill. However, they submitted that some of the sections were borrowed from the Personal Income Tax Act 2001 and the concern was on the increased base rate for paying personal income tax from 100,000 to 250,000 which would create inconveniences while implementing in the future. Further submission was made that the amendment of two sections may, probably repeal the Personal Income Tax Act, 2001.

Moreover, despite the bill being accepted as a money bill, there was no provision in any of the acts that the bill should be passed in the same session only. As per the Supreme Court's verdict, it was imperative to be cognizant that there were three types of money bill. Should the base rate for personal income tax need amending, it may be submitted as an urgent bill as per the rules. It was also important for the Urgent bill and ordinary bill to amend as per the rules. They also submitted the date of enforcing the bill from the day it has been declared by the Minister for Finance, and suggested that increased base rate for paying personal income should be implemented with

effect from the commencement of Financial Year 2016.

On that, the Member of South Thimphu Constituency questioned whether private consultations were held during the tax revision of minerals, as private sectors development had been one of the policies of the government. The member of Drujeygang-Tseza constituency submitted that since the tax revision of minerals were not equivalent among the private sectors, it would be beneficial if there were any possibilities for the youths for employment in the private sectors instead. The Member of Drametse-Ngatshang Constituency submitted that the personal income base rate might be stated as “below Nu.300,000 instead of below Nu.250,000” and possibilities of 30% tax base for those having higher than Ngultrum Two Million to ensure uniformity of tax levying.

The Member of Chumey- Ura Constituency submitted that as per the Constitution and related laws, budget or urgent bills should be passed in the same session. Moreover, the Section 200 of the Rules of Procedure of National Assembly states “A Money or Financial Bill” and thus, there was no problem passing the bill in the same session.

Following that, the Chairperson of the Finance Committee and the ministers submitted clarification that Revised Taxes and Levies Bill of Bhutan has been accepted by the House as a money bill. Tax bill should be adopted as money bill as per the verdict of the Supreme Court. The Sales Tax and Customs Tax in the Personal Income Tax Act, 2001 should be understood as null and void since it was not in line with the Constitution of the Kingdom of Bhutan. It was also reported that the Royal Audit Authority (RAA) and Anti-Corruption Commission (ACC) has submitted to update the royalty for minerals. Moreover, it was submitted that the public needn’t worry, since the

rate was being made appropriate in due consultation with the minerals specialist and the members of the Trade and Industry. It was done based on the Constitution of the Kingdom of Bhutan which states that, the benefits of the the state owned properties and Minerals should be to the general public, rather than to one or two individuals.

Submission was made that levying 30% taxes would create no difference to the annual personal income tax amounting 2 million and above, and thus sincere support was asked in favour of that suggestion. The Chairperson of the Finance Committee proposed on the suggestion; what if the Committee and the Ministry of Finance could work together on revising the 30% tax levying on personal income tax totaling more than 2 million annually.

The House reminded that the Revised Taxes and Levies Bill of Bhutan, 2016 had been adopted after extensive deliberation on every chapter, sections and each annexure. The Revised Taxes and Levies Bill of Bhutan (Money Bill), 2016 had been forwarded for enforcing since the day it had been introduced in the House by the Finance Minister.

Subsequently, the House announced that the National Budget for the Financial Year 2016-17 and Revised Taxes and Levies Bill of Bhutan (Money Bill) 2016 would be adopted on June 13, 2016 as per the rules of procedure and hence concluded the two-day deliberation.

(6th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 10th June 2016).

On 9th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 13th June 2016, the Member In-Charge of the Bill, Minister for Finance moved the motion to adopt the Supplementary Budget expenditure of Nu. 3,403.905 totaling to revised budget of

Nu. 53,094.382 as per the Supplementary Budget Appropriation Bill for the Financial Year 2016, recurrent expenditure of Nu. 25,387.034 million and capital expenditure of Nu. 29,441.194 million as per the Budget Appropriation Bill for the Financial Year 2016 grand totaling to Nu. 54,828.227 million.

On this, the House directed to vote on the total revised budget of Nu. 5,095.382 million from the Supplementary Budget Appropriation Bill for the Financial Year 2015-16 and Nu. 53,828.228 million from the Budget Appropriation Bill 2015-16 for adoption. 41 Members voted “Yes” and one voted “No” thereby securing majority support out of 42 Members present and voting, and consequently adopted both the bills. The voting result is provided separately in Annexure 13.

On presenting the dissenting opinion, the Member of Panbang Constituency told, he could not support on the capital expenditure in that financial year as the budget allocation of Nu. 193.560 million for Zhemgang Dzongkhag was the least among all the Dzongkhags. He added that it was not in accordance to the Article 9(8) of the Constitution which states “...Endeavour to ensure all the Dzongkhags are treated with equity...” and therefore could not support it. Further suggestion was presented that if there was any possibility of increasing the budget for Zhemgang Dzongkhag for the farm roads from the general reserves of Nu.100 million which has not been allocated anywhere.

The Speaker reminded that huge amount of budget has been adopted and the Ministry, agency and Local Government Leaders should allocate uniform budget for the benefit of the people and bring good outcome, thereby thoroughly adopting the National Budget for the Financial Year 2015-16.

The Member In-Charge of the Bill Minister for Finance submitted that Revised Taxes and Levies Bill of Bhutan, 2016 has been deliberated extensively by the House. Furthermore, Personal Income from Nu.100,000 to Nu. 200,000 were exempted from paying personal income tax and annual expenditure for one student was increased to Nu.150,000 from Nu.50,000 which were adopted in accordance with the Constitution of the Kingdom of Bhutan, Public Finance Act and Supreme Court's verdict. Exemption on the import of medical equipment and books, and only minimal royalty for the export of minerals were increased. Therefore, the motion for the adoption of the Bill was duly submitted to the House.

Accordingly, 43 Members voted "Yes", 2 voted "No" and 3 voted to "Abstain" thereby securing the majority vote and adopted the Revised Taxes and Levies Bill of Bhutan 2016. The voting result is provided separately in **Annexure 14**.

While submitting the dissenting opinion, the Member of Panbang Constituency told that although the amended tax sections provided in the money bill should be supported, the bill submission procedure has not been followed. And the increased Personal Income Tax which was put up as a money bill to be passed in the same session has not been in line with the procedures of the bill amendment. Following his dissenting opinion, the deliberation on the Revised Taxes and Levies Bill of Bhutan, 2016 had been concluded. *(9th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 13th June 2016).*

14. Question Hour: Group C- Questions asked to the Minister for Economic Affairs, Minister for Labour and Human Resources and Minister for Finance

- a. The Member of Chumey-Ura Constituency questioned the Minister for Economic Affairs regarding the regional tourists

coming to Bhutan with free daily tourist tariff, free movement of foreign vehicles and without the tourist guide which will lead to country's waste pollution in times to come. He submitted that it threatens the achievement of vision of 'High Value, Low Volume' tourism. Therefore, clarification was sought whether Bhutan's mechanism of tourism policy and economic development policy governs the regional tourists and if not, what were the Government's measures to address these concerns.

- b. The Member of Dophuchen-Tading Constituency submitted that MoLHR has been initiating numerous plans and strategies to curb the unemployment issues in the country. Youths with various academic qualifications from classes Ten to university graduates were encouraged to get employed and numerous job opportunities were offered as well. However, they were disqualified due to the lack of experience. Since the Government has planned various plans and programmes to make Bhutan a skilled society, the Member questioned the Minister on how the Government had planned to educate those youths on the availability of such job opportunities through Bhutan Broadcasting Service and newspapers.
- c. The Member of Nganglam Constituency questioned the Minister for Finance on the percentage of convertible currency that are converted directly into Indian Rupee each time such currency flows into the National Foreign Exchange Reserve Account, and how much has been converted each year since 2013.
- d. The Member of Nubi-Tangsibji Constituency questioned the Minister for Economic Affairs on the steps taken by the Government to fulfill the tourism objective of "High Value, Low Volume" in the country, and the measures initiated to control

the number of regional tourists, since it's being noticed that the tourism policy has become less effective with increase in number and negative affects.

- e. The Member of Drujeygang-Tseza Constituency questioned the Minister for Labour and Human Resources on the worrying stories of Bhutanese youths working in Qatar, whose salaries were not being paid for the months of March and April, and the similar problems to our youths working in overseas in other countries as well. He questioned the Minister regarding the policies and regulations that were framed to ensure security for the overseas youth workers.
- f. The Member of Kengkhar-Weringla Constituency questioned the Minister for Finance regarding the reopening of the lottery business which has been stopped for some time. Therefore, the Member questioned the minister to provide clarification on the status and scope of the lottery business, and the plans initiated by the Government which would not hamper the vision of Gross National Happiness.
- g. The Member of Nanong-Shumar Constituency submitted that the Government has pledged to provide 100 % employment with 30,000 overseas jobs to the unemployed youths. However, it has been reduced to 9000 later. Therefore, the Member questioned the Minister for Labour and Human Resources on the plans and measures taken up by the Government to address the employment opportunities for 21,000 youths and other unemployed youths.
- h. The Member of Dramedtse- Ngatshang Constituency submitted that the Government has built boundary wall around the private residence of Prime Minister for the security and safety reasons. Therefore, the Member questioned the Minister for Finance

seeking for clarification whether there is any entitlement act or rules for constructing boundary wall for private residence, and if not, what were the plans taken up to adopt such policies, rules and regulations in the future. *(6th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 10th June 2016).*

Note: the deliberation and answers on the above questions can be referred in the verbatim of the Questions Hour which has been printed separately.

15. Question Hour: Group D- Questions asked to the Minister for Works and Human Settlement and Minister for Health

- a. The Member of Chumey- Ura Constituency questioned the Minister for Works and Human Settlement on the status of construction of Shingkhar-Gorgan road which has been resolved during the Second Session of the Second Parliament and aimed for the growth of economic development. The Member questioned the Minister on the status of the road construction if it had been started and the expected plan to complete the construction.
- b. The Member of Kengkhar-Weringla Constituency questioned the Minister for Health on the serious challenges faced by the hospitals across the country, due to the lack of basic equipment such as Ultrasound and X-rays and the regional hospitals deprived of MRI and CT scan facilities affecting the delivery of services. Since the existing equipment are seen not accessible on time, the Member questioned the Minister on the measures taken up to mitigate the suffering of patients especially when they are referred from one hospital to another.
- c. The Member of Drametse- Ngatshang Constituency submitted to the Minister for Works and Human Settlement that although the East-West highway Widening project aimed and implemented as part of eastern development programme does not include the road

from Ura to Kurizam as part of the widening project. Therefore the Minister was questioned if Eastern Development Programme is limited to only 120km from Kurizam to Chazam and on the possibility of widening the road between Ura to Kurizam.

- d. The Member of Phuentsholing Constituency questioned the Minister for Works and Human Settlement to provide the reasons for not allowing constructions of more than two storied buildings in the rural areas and what were the plans to revise the policy since that policy had created inconveniences to the people in the rural areas.
- e. The Member of South-Thimphu Constituency questioned the Minister for Works and Human Settlement on one of the important pledges made by the government, which was to enhance the standard of all farm roads usable to all kind of weather conditions. Submission was made that the roads still remain unusable during the rainy season. Therefore, clarification was sought if the Minister could provide the status of standard farm road upgrading to all kinds of weather conditions.
- f. The Member of Nanong-Shumar Constituency questioned the Minister for Health on the challenges faced by the rural communities across the country for the need for female nurses, thereby seriously affecting the health of women and children in particular. The Minister was questioned on when every Basic Health Unit and health centers could be provided with adequate female nurses and male workers.
- g. The Member of Gelephu Constituency submitted that in order for the construction of houses in rural areas, approval had to be accorded from Dzongkhag Administration. For such approval, architectural drawings had to be produced which cost between

Nu.40,000 to 60,000 and was not affordable by our rural people. Although Bhutan being in seismic zone, one storied concrete house are less affected. Hence, the Member questioned the Minister if the government could prepare a model house drawing for single storied house, so that the people do not have to look for architect and engineers. Secondly, it would also benefit the rural households if approval for such new house construction could be accorded from Gewog Administration instead of Dzongkhag Administration.

- h. The Member of Boomdeling-Jamkhar Constituency questioned the Minister for Works and Human Settlement on the alarming press report which had stated that significant portion of the recently blacktopped road at Lamperi national highway had suffered damage due to poor quality of work. Clarification was sought on why the quality of the work had declined and whether we could expect similar damage on other roads as a result of rushing to complete the black topping of roads within 2017. (9th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 14th June 2016).

Note: the deliberation and answers on the above questions can be referred in the verbatim of the Questions Hour which has been printed separately.

16. Resolution on the Third Reading of the Civil Aviation Bill of Bhutan, 2015

The Chairperson of the ad-hoc committee, Member of Shompangkha Constituency submitted that the Civil Aviation Bill of Bhutan, 2015 has been referred to Environment and Thromde Development Committee for reviewing and to submit the recommendation during the Sixth Session of the Parliament. However, due to unfavourable condition on the Member of Tashichhoeling Constituency who has

been a Chairperson of the Committee, it has then been forwarded to the ad-hoc committee. Submission was made that the previous Civil Aviation Bill of Bhutan, 2000 had to be repealed while reviewing the Civil Aviation Bill of Bhutan 2015.

The Civil Aviation Bill of Bhutan, 2000 is being repealed to improve safety and security and with the objectives to regulate operations through Civil Authority in compliance with international conventions. Moreover, it was submitted that the Bill was thoroughly reviewed through numerous consultation with the related agencies, whereby 54 sections were amended from a total of 159 sections and 2 new sections were included as well, for deliberation.

While deliberating through each sections of the bill, majority of the sections were adopted as per the Committee's recommendations provided in **Annexure 15**. However, many raised concerns on Section 126 which states that "*No part of any report of the Minister relating to any accident or incident investigation shall be admitted as evidence...*", would create inconvenience in legal implementation. On this, the House directed the committee to once again consult the concerned agencies to review the section. Accordingly, the committee recommended that "*...any report of the Minister relating to any accident or incident investigation shall be admitted as evidence...*". The House accepted the committee's recommendation through the majority show of hands.

Similarly, when the deliberation reached to Offences and Penalties in the eighth chapter, some members opined that penalties would be generally covered by the Penal Code of Bhutan but there was a need for separate degree of laws which are not covered by the Penal Code of Bhutan. Additionally, opinions were shared that, although

the areas not covered by the Penal Code could be covered in the Rules and Regulations, the concern was the Rules and Regulations may supercede the Act.

Therefore, the House directed the committee to hold further consultation and report to the House. The Committee recommended that clear degree of laws had been stated in the Penal Code and there was no need for separate inclusion. The House accepted the committee's recommendation through the majority show of hands and eventually concluded four day deliberation. *(15th Day of the 5th Month of the Fire Male Monkey Year corresponding to 20th June 2016).*

In accordance with the Rules of Procedure, the Member In-Charge of the Bill, the Minister for Information and Communication moved the motion to adopt the Civil Aviation Bill of Bhutan, 2015 on 16th Day of the 5th Month of the Fire Male Monkey Year corresponding to 21st June 2016. Out of 41 members present and voting, 40 members voted “Yes” and one voted “Abstain” and therefore adopted the Civil Aviation Bill of Bhutan, 2015 by obtaining support of simple majority . The voting result is presented separately in **Annexure 16**.

In the dissenting opinion, the Member of Chumey- Ura Constituency submitted that despite his support on the objectives and provisions of the bill, aircraft Offences and Penalties in Chapter 8 did not have offences and penalties in order of consistency with the Civil and Criminal Code of Bhutan and the Penal Code of Bhutan. Nevertheless, the Member submitted a reminder that Chapter 8 of the bill would be deliberated fruitfully in the National Council or Joint Sitting of the Parliament, and therefore concluded the deliberation. *(16th Day of the 5th Month of the Fire Male Monkey Year corresponding to 21st June 2016).*

17. Question Hour: Group A- Questions asked to the Prime Minister and Minister for Home and Cultural Affairs

- a. The Member of Nubi-Tangsibi Constituency submitted that the Prime Minister has announced during meet the press that a third service provider would be introduced. He said that the existing services providers had been already facing business problems due to market problem. The Member questioned the Prime Minister whether the government has considered the limited business scope in a small country like ours.
- b. The Member of Bumdeling- Jamkhar Constituency submitted that although the Minister for Home and Cultural Affairs have done the inauguration, and construction of Cheng- Tarphe Tshogkha farm road was started, however, during the Mid-Term Review of Tashi Yangtse Dzongkhag, it has been cancelled and taken out from the plan. The Member sought clarification from the Minister for Home and Cultural Affairs on the reasons and policy related problems that led to cancellation of the road plan.
- c. The Opposition Leader submitted that during Prime Minister's Mid-Term Review, it was reported that there has been huge increase in production of various agricultural and forests products. The Member questioned the Prime Minister whether the progress report stating huge increase in production would not hamper the future policies and if there had been any errors while calculating the progress, shouldn't it need correction.
- d. The Member of Panbang Constituency questioned the Prime Minister during the recent World Press Freedom Day observation there was no one in the media who could stand with full freedom to cover the news. Moreover, it was reported that some senior journalists have either resigned or taken long leave, or been

deployed to some different assignments. Thus, clarification was sought whether the Government has been interfering with the media or not. *(12th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 17th June 2016).*

Note: the deliberation and answers on the above questions can be referred in the verbatim of the Questions Hour which has been printed separately.

18. Resolution of the Opposition Party's Motion on the Reformation of the Central Schools policy

The Member of Panbang Constituency submitted that under the dynamic leadership of Their Majesties the Kings, education had always been given priority and have been enjoying the policy of free education from pre-primary till college and therefore, the education system had progressed well over the decades.

However, with an aim to provide equal opportunities in education to the Bhutanese Youths, the Government had initiated Central Schools since 2014 which now stands to 51 Central Schools with plans to increase to 60 central schools by 2018. Nevertheless, only 9% of the total schools and 27% of the total students had been benefited, and inequality between the students of the central schools and other schools, and huge differences between the boarders and day scholars are found to be the main concerns. Additionally, most of the central schools are located near the township thereby violating the provisions of the Constitution of the kingdom Bhutan.

Similarly, submission was made that, huge expenditure of about Nu. 6 billion spent for Central Schools in the last three years would adversely affect the public expenditure. An expenditure of 4 billion external grant spent on the central schools in the 11th Plan would not only hamper in achieving economic self-reliance but obligates

perpetual dependence on donor support which is unconstitutional. Therefore, it was mentioned that the Opposition Party would like to propose for the reformation of Central School policies with the main objectives of ensuring equality and sustainability in the policy, and the three motions are:

- a. All students from class seven and above to be admitted in the central schools
- b. To retain all the rural schools as it is.
- c. Removal of criteria which states the denial of admission into central schools for those students who stay within 5-7 kilometres radius from schools. Submission was made that the Opposition Party was hopeful that the house would deliberate and endorse those recommendations.

While deliberating on this, the Minister for Education expressed that it was fortunate that education related issues are being deliberated in the National Assembly and such deliberation would help to improve the education policies and systems in place. He mentioned that the past education policies and systems had been very successful due to the wise guidance of Their Majesties the Kings.

Further, he submitted that the Central School policies were put in place to make future generations globally competitive as per His Majesty's vision on education. The main objective of central school is to further improve the existing education system in providing quality education. However, it must be borne in mind that while we review the policies we must constantly reflect on the sound education vision and policies of our successive monarchs.

Similarly, it was informed that there are 51 Central schools and the plan is to increase it to 60 Central schools within the 11th Plan and

another 60 more in the 12th Plan bringing the total Central schools to 120 which will cater to about 70% of enrolled students. Thus, the students would get opportunity to gain wholesome education while other 30% of the students would be accommodated in private and urban schools.

In addition, it was submitted that students in the 51 Central schools today are getting uniform and other facilities from the government while students of 566 schools were not, the observation of unequal treatment cannot be denied. Nonetheless, it was informed that the government has plans to provide all the facilities to the day scholar students except for beddings from next year and, all the students across the country would be given same facilities after completing the establishment of 120 central schools in future.

The Education Minister clarified that not a single rural community school has been closed down due to the establishment of the central schools until now and entire facilities which had been given in the past were kept same. He also clarified that there isn't any central school located in the urban areas as of date.

As far as sustainability is concerned, it was reported that even the government was concerned about it and informed that education policy states that the recurrent expenditure has to be met from the internal revenue. Although a capital budget of Nu.4.3 billion had been granted by the GoI in the 11th Plan, only 0.05% is required for the establishment of central schools in the 11th Plan. It was reminded that compared to Nu.9.4 billion expenditure incurred for education in the 10 FYP it is not of much concern.

Similarly, submission was made that the rules and guidelines for the central schools have been already framed and it is important

that the decision to admit students of classes seven and above into central schools be left with the parents and students. Deprivation of admission of students within 5 kilometres in central school was only a temporary measure, however, children of disadvantaged families and single parent would be given admission even if they are within five kilometres radius and thus, it was hopeful that the education policies would be discussed at length and come out with a good outcome. In the case of rural schools, in the event that parents realising the high quality of education in Central schools, may force their children to be admitted in CS, which may then result to a natural closure of rural schools. However, it was mentioned that the Government had not framed any policy and plans to close the rural areas.

Few members led by the Opposition Leader submitted that although it was important to change the education policies from time to time, it was also imperative for the past good policies to be continued implementing them. Considering the increasing expenditure for education where Nu.8 billion had to be spent for the students each year, concern was raised on the sustainability. Also, it was underlined that the policy was against the visions of the Gross National Happiness which states that children between ages of 6 to 11 should be given the opportunity to live with their parents to get advice and learn tradition and culture. Thus, it was submitted that they should be admitted near their own village.

Submission was made that if government had a policy to admit students of classes seven and above to central schools based on their interest and capability, it would help promote equality and it was submitted that government should support in establishing private central schools and colleges.

On that, the Finance Minister including few Cabinet Ministers and some members responded that since the commencement of central schools and till the next year, there would a recurrent expenditure of Nu.1.6 billion and capital expenditure of Nu.983 million, against the Nu.7 billion capital expenditure in the 11th Plan. Therefore, it was mentioned that the accounts submitted by the Member of Panbang Constituency was incorrect. It was reported that the centrals schools had benefitted the students providing an opportunity to learn wholesome education and reducing an expenditure on the economically disadvantaged parents.

Moreover, he informed the house that most of the leaders in the government were the graduates of boarding schools. He further reported that rich parents send their children to study abroad at the age of 5 or 6. Therefore, he informed that opposition's submission to let the rural children between the age of 6-11 stay with their parents to learn local culture and tradition was inappropriate.

Similarly, he informed the House that the government was facing difficulty in sustaining 600 schools. He added that there has been increasing rural-urban migration, decrease in birth rate, huge requirement of maintenance of the old schools and construction of new schools. Although there had been huge expectation from the Bhutanese society for improved on quality education, the Ministry of Education has been facing numerous challenges in management of the old schools in the country.

It was also reported that infrastructure, curriculum and teachers are pivotal in providing quality education. Should these three components are present, there was no question for not being able to provide quality education and skills. Therefore, the gradual change in policies and

guidelines is aimed at improving the quality of education.

In conclusion, the Member of Panbang Constituency responded that the statistics he presented were given to him by the Minister for Education and thus, there was no error in the information. He added that quality education should be focused not only for the central schools but must expand to other schools as well. He submitted that the policy itself was wrong since the current 608 schools are deprived of such facilities whereas 51 central schools were enjoying excess facilities.

Furthermore, it was mentioned that the education system across schools were similar but with the introduction of central school policy, it has created inequality and huge differences in getting quality education too. He further added that the recommendation to keep the children between the ages of 6 to 7 with parents was not only about getting parent's care alone but also for them to return to their villages in the future. It was submitted that the criteria of denying admission into central schools for those students who live within 5-7 kilometres radius from schools should be revoked since there were several economically disadvantaged children living within the 5 kms radius of schools and therefore, requested the members to take the decision wisely and support adoption of the recommendation.

Accordingly, while ascertaining the support on the First motion submitted by the Opposition Party, 14 members voted "Yes", 26 voted "No" and none abstained, thereby failing to secure the majority of votes and therefore, could not carry the first motion. The voting list is provided separately in the **Annexure 17**.

While ascertaining the support on the Second motion, 14 members voted "Yes", 26 members voted "No" and none abstained out of 40

members present and voting, thereby failing to secure the majority of votes and therefore, could not carry the second motion as well. The voting list is provided separately in the **Annexure 18**.

Similarly, while ascertaining the support on the third motion, 15 members voted “Yes”, 25 members voted “No” and none abstained out of 40 members present and voting, thereby failing to secure the majority of votes and therefore, could not carry the third motion too. The voting list is provided separately in the **Annexure 19**.

Hence, the Speaker informed that the House had deliberated extensively on the motions submitted by the Opposition Party and voted as per the system of democracy. However, all the three motions could not secure the majority support and therefore the motions could not be carried and with those reminders concluded the deliberation.

(15th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 20th June 2016).

19. Question Hour: Group B- Questions asked to the Minister for Education, Minister for Foreign Affairs and Minister for Agriculture and Forests

- a. The Member of Drugjegang- Tseza Constituency submitted that the central schools had been very successful and very important too. Submission was made that the two existing central schools in Dagana have been very benefitting. Therefore, the Member questioned the Minister for Education on the possibilities of upgrading Daga Higher Secondary School to a Central School as well.
- b. The Member of Bumdeling- Jamkhar Constituency questioned the Minister for Foreign Affairs regarding the Government's pledge to strengthen India-Bhutan ties. Hence, the Member questioned on the status and when the Liaison offices in the

neighbouring states of India would be established for the welfare of those studying and working there.

- c. The Member of Radhi- Sekteng Constituency submitted that the media has reported that several Dzongkhags like Trongsa and Punakha had been experiencing severe water shortage and the farmers were not able to transplant their paddy on time. The Member questioned the Minister for Agriculture and Forests on the support and measures taken up by the government to address the problem.
- d. The Member of Nubi- Tangsibji Constituency submitted that one of the pledges of the Government was to reduce the government expenditure and therefore, the Government has made resolute to minimize foreign travels by Prime Minister and the Ministers during the Fourth Cabinet Meeting. Thus, the Member questioned the Minister for Foreign Affairs if it is implemented in accordance with the resolution.
- e. The Member of Nganglam Constituency submitted that the Government had rightly continued the policy of encouraging self-sufficiency in crop production in the country by making efforts to improve agriculture. Submission was made that in 2014, the Government has promised to build irrigation channel in Noorbugang Gewog in Pema Gatshel, renovation of 1.2 km Tekili irrigation channel and construction of 7 km farm road access. The Member questioned the Minister for Agriculture and Forests as to why those initiatives could not be started despite the project studies have been completed and had been more than two years. *(16th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 21st June 2016).*

Note: the deliberation and answers on the above questions can be referred in the verbatim of the Questions Hour which has been printed separately.

20. Resolution on the Ratification of Motor Vehicles Agreement for the Regulation of Passenger, Personnel and Cargo Vehicular Traffic between Bangladesh, Bhutan, India and Nepal

The Minister for Information and Communication moved the motion to introduce and adopt the Motor Vehicles Agreement for the Regulation of Passenger, Personnel and Cargo Vehicular Traffic between Bangladesh, Bhutan, India and Nepal. Submission was made that although the Bill was deliberated during the Sixth Session of Parliament, the House had redirected the Ministry of Information and Communication to carry out some more consultations and resubmit the agreement during the Seventh Session of the Parliament.

Moreover, the agreement was started under the Framework for South Asian Association for Regional Cooperation (SAARC) and was adopted during the 14th SAARC Leaders Meeting in 2009 and then during 16th and 17th SAARC Leaders Meeting had passed a resolution to hasten the implementation of the agreement. Since the agreement has been already signed by three countries, there is high expectation that Bhutan would also sign the agreement soon. Therefore, the Ministry has held consultations with public, taxi and truck drivers, Association of Tour Operators of Bhutan, members of Bhutan Chamber of Commerce and Industry and made presentation to the Members of the Parliament on April 12, 2016. Based on the above, he moved the motion to ratify the agreement to the House.

On that, few members led by the Opposition Leader submitted that during their consultative meeting on the agreement in 18 Dzongkhags

in accordance with the provisions of Article 10(2) and Article 18 of the Constitution of the Kingdom of Bhutan, it was found that not even a single person supported in favour of the agreement.

Additionally, as per the Article 2(1) of the Agreement allows the movement of vehicles in four countries, it was seen that it would affect the independence, security, economy, culture, environment and society. It would also affect the administration and management of the vehicles and thus could not support in favour of the agreement.

Although the protocol and annexures related to the agreement should be distributed to the members prior to the deliberation, it has been found that the deliberation on the agreement was not feasible due to the lack of access to complete set of documents. Furthermore, it was submitted that no matter how well the protocol and annexures are in place, the final binding document is the Agreement only and therefore supporting agreement based on assumption that protocols and annexures will take care would only definitely create inconveniences in the future. Thus, it was found imperative that the Government should think over it.

Some members and ministers led by the Hon. Prime Minister submitted clarification that protocol would be framed after the ratification of the agreement which would determine the number of foreign vehicles permissible inside, specified movement areas and permitted entry points of foreign vehicles in the country. This protocol would only be implemented after the approval from the parliament and hence there was no need for the public to be concerned of.

It was informed that the awareness regarding the merits and demerits of the agreement has been carried out and it would be beneficial to the people and the country. The agreement aims to strengthen the

cooperation between the neighbouring countries, establish better procedures and look forward to reviewing existing system among the countries and improve the security of the nation.

It is also an opportunity to strengthen the existing motor vehicle movement related procedures and modalities between India and Bhutan. Bhutan has joined SAARC since our nation strived to prioritize international relations and cooperation owing to its landlocked geographical condition. However, the misunderstandings have been arising among the members, the agreement would definitely provide opportunities to resolve such misunderstandings.

Submission was made that the Government is fully aware of the impacts that will have on the people and security from an entry of unrestricted number of foreign vehicles if allowed into the country. Therefore, the decision to develop a protocol was for that very purpose. If we don't seize the opportunity of signing the agreement among the four countries, other three countries will move forward leaving Bhutan out of this agreement. It was very essential that we carry out as per the Article 3(1) of the Agreement which clearly states "...in accordance with the protocol..." which would only ensure gains for the nation and its people. It was reminded that the house should take decision whether or not our country should join as a member of the agreement.

After an extensive deliberation on the matter, the Speaker reminded whether or not the House should ratify the agreement. As per the democratic principles and procedure, the house voted to decide on the ratification of the agreement. 28 voted "Yes", 10 voted "No" and 3 voters "Abstained" out of 48 members present and voting. Eventually, the Motor Vehicles Agreement for the Regulation of Passenger,

Personnel and Cargo Vehicular Traffic between Bangladesh, Bhutan, India and Nepal has been adopted through the majority of members supporting in favour of the agreement and thereby concluded the deliberation. The voting result is provided separately in **Annexure 20**. *(16th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 21st June, 2016).*

21. Resolution of the re-deliberation on recommendation and clarification submitted by the National Council on the Budget Report 2016-17, Supplementary Budget Appropriation Bill 2015-16 and the Revised Taxes and Levies Bill of Bhutan 2016 (Money Bill)

The National Council had submitted 10 recommendations and clarifications on the Budget Report. On the recommendation A, clarification was sought on differences of the total Revised Budget figure of Nu. 53, 095.382 million as stated in the Supplementary Budget Appropriation Bill 2015-16 and the total Revised Budget of Nu. 49,712.783 million as reported in the Budget Report booklet.

On that, the Finance Minister submitted that the total Revised Supplementary Budget of Nu. 49,712.783 million as reported in the Budget booklet comprises of Nu. 23,909.046 million of Capital expenditure and Recurrent expenditure of Nu. 25,803.320 million. However, the total revised supplementary budget of Nu. 53,095.382 million, as reported in the Supplementary Budget Appropriation Bill 2015-2016, is inclusive of lending expenses which is the actual expenditure that was not included in the above mentioned total amount as was not the general expenditure incurred. Therefore the differences in figures are not due to errors and members need not be concerned.

On that point, the Member of Panbang Constituency pointed out that the house in earlier sitting did not adopt the Supplementary Budget

Appropriation Bill for the Financial Year 2015-16 through voting as required by the rules of procedure. Therefore, the motion was moved that the bill be once again adopted through voting which some of the members supported in favour of the motion.

The Prime Minister reported that listening to the submission made by the members, it could be perceived that the Supplementary Budget Appropriation Bill 2015-16 had not been adopted as per the rules of procedure. If that was the case, there was still opportunity to re-look and if needed re-deliberate on the matter. However, the Prime Minister submitted that if the Legislative Committee and the Finance Committee could review in consultation with the Speaker and then provide opportunity to deliberate again in the house at an appropriate time. Therefore, the house after securing majority support by show of hands decided to re-deliberate it on June 23, 2016.

On Section 1 (Judiciary) of recommendation B, it was recommended that the budget should be utilized after framing rules for providing legal support service not only to the accused produced before courts but also those accused who are under the police custody and accordingly financial support provision could be arranged. It was recommended to look into the possibility of increasing the allocated amount of Nu. 0.050 million in the current financial year. On that, the Member of Panbang Constituency and other members opined that the reason for supporting the recommendation of the National Council was considering the importance of providing legal support to incompetent accused individuals. However, it was imperative that an appropriation budget Nu. 0,050 million in the present financial year need to be slightly increased and proper guidelines for its utilization should be developed.

On that, the Finance Minister submitted that although the budget

was allocated in the previous financial year for the same purpose, it could not be utilized due to the lack of clear rules and regulations. Therefore, only Nu. 50,000 had been kept in the present financial year. Nevertheless, it was reported that an additional budget could be adjusted from the general reserves should there be need beyond the allocated amount and thus, there was no need for the members to be concerned of.

Correspondingly, on Section 2 (Tourism) of the recommendation B, it was recommended that with an objective to protect natural environment and promote clean environment, either through the collected royalty or through imposition of additional fees, development of basic tourism facilities in gewogs and rural communities needs support. On that, the Leader of Opposition and other members opined that rather than prioritizing development of tourist hotels and guest houses, improvement of footpaths and construction of roadside toilets in rural areas should be given priority for the benefit of both tourists and the highlanders and for sustainable tourism development in the country. Following that, the Finance Minister reported that the government is currently reviewing the tourism policy and once completed, the government will in the interest of the nation prioritise and support the proposed activities.

Similarly, on Section 3 (Ministry of Home and Cultural Affairs) of the recommendation B, it was questioned on how the budget allocated in the Financial Year 2014-15 for the renovation of Lingzhi Dzong under Thimphu Dzongkhag had been utilized and why was there no budget allocation made in the current financial year and recommended to make budget allocation on a priority basis in the current year. In this connection, the Member of North Thimphu Constituency and other

members submitted that budget allocated in the Financial Year 2014-15 of the 11th Plan for renovation of Lingzhi Dzong had not been included in the budget appropriation for the Financial Year 2016-17. Thus, it was submitted that the renovation of the Lingzhi Dzong in the 11th Plan itself is crucial. Submission was put forward that if the renovation works for the Dzong had been decided to be carried out during the 12th Plan, then at least the budget for extraction of timber and boulders should be provided in advance to prepare for the construction.

On this, the Finance Minister informed that although there was allocation of budget for Lingzhi Dzong renovation in 2014-15, it could not be utilized owing to far distance of the place and since similar problems could arise in the future, it was informed that the government could not support the recommendation. Therefore, it was reported that the renovation of Lingzhi Dzong was postponed to be carried out in the 12th Plan during the Mid-Term Review meeting.

While in Section 4 (Ministry of Agriculture and Forests) of the recommendation B, which submitted that the electric fences in the rural areas for protection of crops from wild animals have benefited some communities in some parts of the country. However, since the electric fences were not very effective against the wild boars and elephants in the southern regions, it was proposed that a separate budget be allocated and other possible measures should be explored. On the matter, the Member of Shompangkha Constituency and other members submitted that government's efforts on supporting electric fences as protection of crops from wild animals should be continued for the benefit of the rural people who subsist on agriculture. Further, he said training on maintenance and management of electric fences should be provided as well. Again submission was put forward that

during the formulation of guidelines for the Dzongkhag Development Grant, a separate budget should be allocated for electric fencing to support agriculture development.

The Finance Minister submitted that the Government had supported establishment of a total of 1200 kilometres of electric fence and the people must take proper care of it and it is also very important to create awareness among people.

On Section 5 (Ministry of Economic Affairs) of recommendation B, it was recommended that the sufficient budget should be allocated for prioritizing other renewable energy sources to sustain the existing hydro-based energy and further proposed for establishment of fund for development of Renewable energy.

On Section 6 of the Recommendation B (General issues)

6.1. Nu. 8.000 million allocated for capacity development of RBP personnel, as prescribed under Human Resource in Section 3.5.13 of Chapter 3 of the National Budget 2016-17, should be distributed generally benefitting all the RBP personnel. While there is support for the budget allocation for construction of residences for RBP Officers in Section 3.5.10 under Law and Order, it was recommended that, with the objective of improving the living conditions of RBP personnel in general, in future budget should be allocated to build adequate number of quarters for all RBP personnels.

6.2. Nu. 40.000 million allocated for hospitality and entertainment under the General Reserves of the National Budget is neither clear nor transparent, and in order to investigate and understand its utilization it was recommended that RAA conduct Performance Audit.

6.3. It was recommended that RAA should carry out performance audit with the aim to develop transparent and proper implementation

rules regarding the hiring of helicopter services as per the General Reserves of the National Budget.

6.4. In accordance with the provisions of Chapter 9.8 of the Constitution of the Kingdom of Bhutan, it was recommended that every Dzongkhag should be made to provide clear expenditure accounts and physical achievements of all planned developmental activities so that it influences the allocation of budgets which is suppose to bring in equal development in all dzongkhags.

6.5. Budget allocated on the Gender Responsive budgeting under section 3.5.15 of Chapter 3 of the National Budget in the previous year was questioned on the implementation status and asked for clarification of doubts why even in the current year there is no clear accounts presented.

In general, the house deliberated extensively on the Sections 1 to 6 of Recommendation B submitted by the National Council. The Speaker proposed that it would be convenient if the Assembly could submit the recommendations to the Government as recommendation rather than the resolution. Therefore, the house decided to submit as recommendations to the government after securing the majority support through show of hands.

Similarly on Recommendation C- it was recommended that, while the raise in annual basic exemption ceiling of Personal Income tax from Nu. 100,000 to 200,000 of the Revised taxes and Levies Bill 2016 had been recognised , it should also be implemented as per the table below.

Tax Ceiling for Personal Income Tax

Taxable Income	Tax Ceiling
Net Total Taxable Income below Nu. 200,000	Nil
Net Total Taxable Income above Nu.200,000 and below Nu. 250,000	10% for income higher than Nu. 2,00,000
Net total Taxable Income above Nu.2,50,000 and below Nu. 5,00,000	Nu. 5000 and 15% for Nu. 2,50,000 and above
Net Total Taxable Income above Nu. 5,00,000 and below Nu. 1,000,000	Nu. 42,500 and 20% for Nu. 5,00,000 and above
Net Total Taxable Income above Nu. 1,000,000 and below Nu.2,000,000	Nu.1,42,500 and 25 % for Nu. 1,000,000 and above
Net Total Taxable Income above Nu.2,000,000	30 %

Note: words in bold letters are additional suggestions.

Moreover, recommendation was submitted that an annual exemption of Nu.5000 for the students studying in government schools in Bhutan from tax payment should be increased to Nu.15,000 owing to economic development and rise in the cost of commodities.

It was submitted that while there is agreement on the government's revision of the mineral tax and levies, the tax rates set were found high. Further, it was recommended to look into the possibility of imposing tax based on the Average Selling Price rather than Export Floor Price.

The Member of Drametse- Ngatshang Constituency and other members submitted that people earning higher annual income has the capacity of paying 30% tax and if 30% tax is levied for those earning Nu.2000,000 and above, it would not only help increase internal revenue but it is only through tax that we achieve self reliance. Likewise, an annual exemption of Nu.5000 per child for the students studying in government schools in Bhutan was adopted in 2001, and based on the local economic situation as recommended by the National Council, it would be beneficial if the exemption amount could be increased to Nu.15,000 per child.

The Prime Minister submitted that the tax raise is necessary since the country should be governed through the internal revenue of the country. However, as per the member's submission on levying 30 % tax on higher income earners, there are nearly only 174 people who could contribute to generate Nu. 35 million only for the government. Thus, the amount would be immensely helpful for the government as well as if any additional individual could pay extra tax to the government.

Nevertheless, Prime Minister submitted that since extra revenue generated is unlikely to be huge due to limited number of people falling under that high income group, it was needless to amend the Act. In addition, it was submitted that the salary of Cabinet Ministers and the Members will not reach the tax ceiling, so the proposal of tax further revision is not supported. Finally, it was submitted that the internal revenue generated in the Financial Year 2013-14 and 2014-15 had been substantial, whereby the developmental activities had been going on successfully and there there is no concern of internal revenue not meeting the requirement of the plan.

Although the need to raise taxes would be imperative if internal revenue does not meet the capital and recurrent expenditures, however, levying 30% tax from income earners of Nu.2 million and above, who are in limited numbers, could not raise substantial revenue. Since there is no threat for shortfall of internal revenue, there was no need for tax further raise. It was justified that because of the good internal revenue situation, the government was able to provide free electricity to rural communities, exempt tax on cottage industries and support students in the centrals schools.

After an extensive deliberation in the house, the Opposition Leader submitted that since it was matter of tax which is significant, it was proposed that each recommendation be subjected to secret voting for adoption, which the house unanimously supported the motion.

While voting to ascertain the support on the Section 1 of Recommendation C of the National Council, 15 members voted “Yes”, 24 voted “No” and none abstained out of 39 members present and voting, thereby failing to secure the majority support. Thus, the house repealed the Section 1 of Recommendation C of the National

Council. The voting result is provided separately in **Annexure 21**.

While voting to ascertain the support on the Section 2 of Recommendation C of the National Council, 16 members voted “Yes”, 23 voted “No” and none abstained out of 39 members present and voting thereby failing to secure the majority support. Therefore, the Section 2 of Recommendation C of the National Council had also been repealed by the House. The voting result is provided separately in **Annexure 22**.

Similarly, while ascertaining the support on the Section 3 of Recommendation C of the National Council, 8 members voted “Yes”, 26 voted “No” and 5 members “Abstained” out of 39 members present and voting thereby failing to secure the majority support as well. Hence, the House repealed the Section 3 of Recommendation C of the National Council. The voting result is provided separately in **Annexure 23**.

The house extended appreciation to the National Council for their extensive review and submitting the recommendations to the National Assembly, and finally concluded the deliberation. *(16th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 22nd June 2016).*

22. Resolution of Redeliberation on whether or not to cast vote separately on the Supplementary Budget Appropriation Bill for the Financial Year 2015-16

As per the directive of the House on June 22, 2016, the Chairperson of the Finance Committee reminded that the Supplementary Budget Appropriation Bill for the Financial Year 2015-16 and the Budget Appropriation Bill for the Financial Year 2016-17 had been deliberated and adopted together. He recalled that the Member In-Charge of the Bill had not only moved a separate motion for the

adoption of Supplementary Budget Appropriation Bill 2015-16, the Speaker had also announced that Nu. 3,403.905 million of the Supplementary Budget Appropriation Bill for the Financial Year 2015-16 had been adopted by the House.

Notwithstanding, although the related Acts only state that such bills should be submitted separately, there were no clear provisions requiring for separate motion for its adoption. Thus, it was submitted that the Committee didn't see any problem in going by the earlier decision of the house.

Hence, it was suggested that as a one-time decision, if the House could refrain from deliberating and voting on the bill again thereby respecting the earlier adoption of the bill. However, suggestion was made that, to strengthen the future course of action, it would be valuable if the house could deliberate and come out with a resolution and towards that the house was requested to extend its support.

While deliberating in the House, the members submitted that the Supplementary Budget Appropriation Bill had been deliberated and adopted separately during the budget discussions for the past eight successive years. Nonetheless, since the Supplementary Budget Appropriation Bill for the Financial Year 2015-16 was adopted along with the Budget Appropriation Bill for the Financial Year 2016-17, it was not in keeping with the procedure, and therefore it is imperative to conduct a separate voting and adoption of bill once again. It was also submitted that should the House consider to go by the earlier adoption resolution, we must take the responsibility to raise no objection should similar situations occur in future.

Further, submission was made that it was imperative for the House to deliberate on any matter in the House as per with the rules. It is the

responsibility of the member In-charge and the concerned committee to remind should the presiding officer make statements inconsistent to the laws and rules during deliberation. Since there is every possibility of accusing the government for implementation of Supplementary Budget 2015-16 without due approval of the parliament, therefore, the House should support on voting the bill once again. After reading out the provisions that call for a separate adoption of the bill from the relevant Acts, it was submitted that the mistake in the system should be corrected immediately.

On that, the Chairperson of the Finance Committee and the government clarified that although the related Acts only state that the bill should be submitted separately, there are no clear provisions requiring for separate voting for adoption. Since the Supplementary Budget Appropriation Bill 2015-16 was submitted separately and a separate motion for adoption was moved except for voting for adoption which was done along with the Budget Appropriation Bill 2016-17 does not warrant to repeat voting for the same bill.

It was submitted that should the voting be held once again to rectify the mistake, inconveniences would arise in the procedure, as the bill should be forwarded for the second time to the National Council. It was reminded that the House should consider the Supplementary Budget Appropriation bill as being adopted with effect from the day the Speaker had announced the adoption of Nu.3, 403.905 million as total supplementary budget for 2015-16.

After an extensive deliberation, the House came to a consensus to vote to assess the support for a separate voting and adoption of the Supplementary Budget Appropriation Bill 2015-15. Out of 40 members present and voting, 14 members voted “Yes”, 25 voted

“No” and 1 “Abstained”, thereby failing to secure the majority votes. Hence, the House reached to a consensus not to vote on the bill and to accept the earlier adoption of the Supplementary Budget Appropriation bill 2015-16 and concluded the deliberation. The voting result is provided separately in Annexure 24. *(18th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 23rd June 2016).*

23. Question Hour: Group C- Questions asked to the Minister for Economic Affairs, Minister for Labour and Human Resources and the Minister for Finance

- a. The Member of Khamdang-Ramjar Constituency submitted that MoEA has initiated to set up Liquid Petroleum Gas and fuel depot in Duksum, Trashy Yangtse which would benefit the workers of both Kholong Chhu Hydropwer Project and the people of six Gewogs in the Dzongkhag. The Member questioned the Minister for Economic Affairs on the status of the work and when the services would be available to the people.
- b. The Member of Bartsham-Shongphu Constituency submitted that the Government has made pledges to provide 100 % employment and curb the unemployment problems. However, the government was nowhere at achieving the goal even at the end of the third year. The Member questioned the Minister for Labour and Human Resources on the number of additional job seekers expected to reach at the end of the government’s term, and what measures were taken up to fulfill the pledges at the end of the government’s tenure.
- c. The Member of Gangzur-Minjei Constituency reported that government recently announced improved status of country’s economy, and questioned the Minister for Economic Affairs to

provide the reasons for the economic development in the country and the list of Foreign Direct Investment Projects, domestic projects and five new major projects established after August 2013.

- d. The Member of Dokar-Sharpa Constituency questioned the Minister for Finance on the allocation of gender responsive budget for Ministries and various sectors, and the benefits received through such allocation and the impacts faced when the budgets were not allocated.
- e. The Member of Nganglam Constituency submitted that Government has declared that the rupee problem and the disparity between Rupee and Ngultrum have been solved. However, it was seen that Ngultrum/Rupee disparity was still continuing at the border areas with the charge of 5 ngultrum higher while buying goods and paying tollgate fee. Therefore, the Member questioned the Minister for Finance on the plans and policies taken up to curb such disparity between the Rupee and Ngultrum.
- f. The Member of Wamrong Constituency submitted that tourism sector is the second highest revenue generator next to hydropower. However, there has been a concern over the undercutting of the tourism tariff by tour operators which might affect the business in the country. The Member questioned the Minister for Economic Affairs on the plans and measures put in place to stop such practices.
- g. The Member of Kengkhar-Werringla Constituency questioned the Minister for Economic affairs on the electricity tariff revision. He submitted that the electricity tariff revision has led some industries on the verge of closing. Therefore, the Member questioned the Minister on the plans and steps taken up to curb

such problems in the future.

- h. The Member of Panbang Constituency questioned the Minister for Economic Affairs regarding Chamkhar Chhu Hydro Power Project which has been promised by the government but haven't been started. The Member questioned the Minister to provide the confirmation as to when the project would be started. *(19th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 24th June 2016).*

Note: the deliberation and answers on the above questions can be referred in the verbatim of the Questions Hour which has been printed separately.

24. Resolution on the Motion to Introduce and adopt Bhutan Red Cross Society Bill, 2016 for for First and Second Reading

Chairperson of the Legislative Committee, Member In-Charge of the Bill moved the motion to introduce and adopt Bhutan Red Cross Society Bill 2016 as the Private Member's Bill to the House. On this, the Member of Chumey- Ura Constituency submitted that any bill presented for deliberation in the House should follow Section 147 of the National Assembly Rules of Procedure whereby submitting statement of Objects and Reasons, Memorandum regarding delegated Legislation and Financial Memorandum along with the Bill. Moreover, he pointed out that every Bill should be published in Official Gazette as per section 204 of the National Assembly Act and hence, he opined his doubts on the fulfillment of that clause. Despite his submissions, the House unanimously decided to deliberate the Bill by show of hands.

Following that, the Member In-Charge of the Bill submitted that National Council's identification of the Bill as a Private Member's Bill in line with the Geneva Agreement signed by Bhutan in 1991 and

submission to National Assembly after deliberation and endorsement makes it an important historic Bill.

Submission was made that the International Red Cross Society will not only help us prevent and alleviate sufferings in times of natural disasters, but also render International medical aids to the victims during wars. Since it is a large society that renders help related to people, about 190 countries have now joined as members of the Red Cross Society. Submissions were made to support the Bill as much as possible given the importance of the Bill to our country.

While some members generally supported the bill, reminder was made on importance of submitting all the necessary documents along with the Bill to the House. It was submitted that the bill needs to be reviewed to ensure its consistency with the provisions of Disaster Management Act of Bhutan 2013, Civil Society Act of Bhutan 2007, Druk Gyalpo Relief Fund Act 2012 and Prison Act of Bhutan 2009. On that, most of the members made submission that since the bill is very imperative for our country, its background and objectives are clearly stated in the bill and hence, there need not be submissions of separate documents. The Society would function in collaboration with the agencies related to disaster management and rescue agencies. Despite an extensive deliberation on the principles of the bill, given the importance to consult public, relevant ministries and agencies, and experts prior to the deliberation of the bill, Legislative Committee was assigned to review the bill thoroughly and submit for third reading in the Eight Session as per the procedure of the House. The Committee was directed to thoroughly review the concerns raised by the members above thereby concluding the deliberation of second reading of Bill. *(22nd Day of the 5th Month of the Fire Male Monkey Year corresponding to 27th June 2016).*

25. Question Hour: Group D- Questions asked to the Minister for Works and Human Settlement and the Minister for Health

- a. The Member of Drujeygang-Tseza Constituency questioned the Minister for Health on the plans and programmes taken up by the Ministry to provide equal facilities, equal opportunities to livelihood and equal basic facilities to the people with disabilities as the government should be provide them with equal facilities and opportunities to eliminate poverty.
- b. The Member of Dophuchen–Tading Constituency questioned the Minister for Works and Human Settlement regarding the minimum distance between central line of a street and building. He submitted that there were no clear rules for such distances regarding the farm and Gewog centre roads although such distance for National Highways are clearly mentioned in the Road Act of Bhutan. He asked if the existing Road Act governs the farm and Gewog roads and if not, what are the plans to amend the act.
- c. The Member of Nanong-Shumar Constituency questioned the Minister for Health regarding the measures and strategies taken up by the Ministry to address the problems of post operation care for the patients, who have undergone surgeries and operation in the country since it is imperative to provide good healthcare services following a surgery.
- d. The Member of Nganglam Constituency questioned the Minister for Works and Human Settlement on the projects being planned by the Ministry to address the problems of water shortage in 20 Dzongkhag Thromdes. He further asked on the status of the

projects if already planned and also to enlighten on the plans to provide equal drinking water.

- e. The Member of Nubi-Tangsibji Constituency submitted that although the government has issued directives stating new Thromde areas without approved plans or basic infrastructure services, should be levied with existing rural land tax and house tax, urban taxes has been collected in some thromdes since the directive was not delivered. For that, he questioned the Minister for Ministry for Works and Human Settlement if the levies collected would be refunded to the people or were there some arrangements considered by the Ministry to address the matter.
- f. The Member of Nyisho-Sephu Constituency submitted that a doctor or a medical personnel should attest patients while rendering medical services through helicopter as per the patient transportation guidelines developed by the Ministry of Health. However, there were some inconveniences in some places while implementing the guidelines causing deaths to some of the patients. Hence, he questioned the Minister for Health on the possibility of amending the guidelines.
- g. The Member of Kengkhar-Weringla Constituency questioned the Minister for Works and Human Settlement on the plans for construction of road connecting Khomshar village under Bardo Gewog in Zhemgang and Wama village under Silambi Gewog in Mongar, as it is imperative to connect these two places to enable connectivity and benefit the people of eastern and central Bhutan.
- h. The Member of Drametse-Ngatshang Constituency submitted that during the last session of the National Assembly, Hon. Zhabtog Lyonpo has informed the House that the construction of Dalbari-Lhamozingkha road which has been stopped by the

government would be retendered. However, having heard of the huge claims made by the contractors to compensate the loss of time and resources, he questioned the Minister to brief on the actual status including compensation, cost overruns, starting date of reconstruction and also who would be held accountable for the delay and cost overruns. **(23rd Day of the 5th Month of the Fire Male Monkey Year corresponding to the 28th June 2016).**

Note: the deliberation and answers on the above questions can be referred in the verbatim of the Questions Hour which has been printed separately.

26. Joint Sitting Resolution on the Performance Audit Report of the Public Accounts Committee

The Hon. Speaker reminded that the Royal Kasho granted by His Majesty, read out during the deliberation of Paro Yenlag Thromde on May 30, 2016 would suffice for the commencement deliberation on the Performance Audit Report in the Joint sitting of the Parliament. Moreover, the Hon. Speaker announced that as per the Constitution of the Kingdom of Bhutan and the Royal Audit Act, a copy of Annual Report of the Royal Audit Authority submitted annually to His Majesty the King, Prime Minister and the Parliament would henceforth become a public document from the day of distribution to Members of the Parliament routing through Speaker. This procedure is in line with international best practices. Furthermore, the Speaker informed on the distribution of the following documents:

- a. Annual Audit Report 2015
- b. Performance Audit Report of the Gewog Development Grants
- c. Performance Audit Report of the Disaster Management
- d. Performance Audit Report of Personal Income Tax

The House after acknowledging the four documents, assigned Public

Accounts Committee to review the documents as per their Rules of Procedures for deliberation in the next session.

Following that, the Chairperson of the Public Accounts Committee presented the report as per Article 25(6) of the Constitution of the Kingdom of Bhutan and Committee functions outlined in Chapter 7(21) of Rules of Procedures of Public Accounts Committee (PAC) 2015. He submitted that PAC have reviewed and found out that the agencies have worked tirelessly considering the observations recommended by RAA and established the procedures. However, few recommendations need time to enforce owing to the nature of activities. It was reported that the committee conducted numerous field visits, public hearings and meetings as per the submissions of different agencies and proposals of RAA.

Therefore, it was submitted that Public Accounts Committee would briefly present on the four remaining Performance Audit Reports from October 2010 to July 2015 namely, Audit of the Multilateral Environmental Agreements and on its Compliances Report; Report on System Audit of Hydroelectric Energy; Environmental Audit Report on Timber Harvesting in Forest Management Units (FMUs) and Working Schemes (WSs);and Performance Audit Report on Chiphen Rigpel Project. Also six reports and recommendations including implementation status on Public Debt Management from the resolution of 5th session of the second parliament would be presented.

26.1 Audit of Multilateral Environmental Agreements and on its Compliances

It was submitted that the Multilateral Environmental Agreements (MEAs) being legally binding agreements among the regions and

states play a critical role in the overall framework of environmental laws and conventions. The performance audits were conducted on the four MEAs which were the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol; Vienna Convention for the Protection of the Ozone Layer and its Montreal Protocol; United Nations Convention on Combating Desertification; and the United Nations Convention on Biological Diversity (UNCBD).

The Audit objectives were to ascertain the compliances of environmental obligations under the MEAs, adequacy of existing compliance assurance and monitoring mechanism instituted at various levels and system of reporting to the Parliament on the progress and activities relating to their implementations. Moreover the committee while reviewing the nine recommendations made by RAA, wherein some were fully implemented while some were not, found out that the responsibilities, accountability and mandates of the designated agencies were not clearly stated.

26.2 Report on System Audit of Hydroelectric Energy

It was submitted that since the economy of the country is largely dependent on the development of hydroelectricity generation, RAA had conducted a system audit of Hydroelectric Energy with the main objectives of ascertaining the economy, efficiency and effectiveness in the generation and distribution of hydroelectricity. Objectives also included studying the rationale and impact of power tariff revision, ascertaining the opportunity on alternative energy supply mix and studying the impact on environmental as a result of hydropower development.

Further, it was submitted that several inadequacies were noted in

the Tariff Determination Rules and Regulations, 2007 which could lead to inappropriateness in the computation of power tariff of the hydropower dependent companies. Also, there was a significant variation in unit cost per km/substation in creating distribution assets through the Rural Electrification Projects across the Country. Moreover, the impact of power tariff revisions on its operational efficiency and volume variances etc needs to be ascertained for better decision-making and appropriate policy interventions.

From the 12 recommendations made by RAA based on its findings, the committee found out that some recommendations were implemented, some partially implemented and few at all not implemented as per the Audit review report. Also, lack of coordination among the hydropower project implementing agencies such as Power projects, agency responsible for power distribution and the electricity Authority was reported by the committee.

26.3 Environmental Audit Report on Timber Harvesting in Forest Management Units (FMUs) and Working Schemes (WSs);

Submission was made that the Royal Audit Authority (RAA) had taken up the environmental audit of timber harvesting with the objectives of evaluating the effectiveness of plans and regulations pertaining to the forest resources in FMUs and WSs. It was also to determine whether timber harvesting operations are undertaken in a sustainable manner giving due consideration to the environment and ecosystem.

The committee reported about several lapses and deficiencies noted by RAA in the policy of FMUs and WSs and that the prevailing forest management practices are not in line with the guidelines of the Forest Management Code of Bhutan. In addition, there is intersection

or overlapping of FMU areas with protected areas and community forest resulting into management difficulties. It was reported that there lack a proper monitoring assessment whether activities have been carried out as per the management plan or not.

Based on the findings, the RAA had made 11 recommendations out of which some had been fully implemented while some recommendations have been partially implemented.

26.4 Performance Audit Report on Chipen Rigpel Project

It was presented that Chipen Rigpel Project (CRP) is an ambitious human capacity building project designed to help Bhutan to successfully transit to a modern Knowledge Society by leveraging technology and education. The project was formally launched on April 30, 2010 by the Hon. Prime Ministers of Bhutan and India on the sidelines of the SAARC summit in Bhutan. The approved cost of the Project was Nu. 2.052 billion, which was funded by the Government of India over and above the 10th FYP grant and executed by the National Institute for Information Technology (NIIT) Limited, India from the year 2010 to 2015.

The Memorandum of Understanding (MoU) between Department of Information Technology (DIT) and NIIT Limited was signed on February 14, 2009. The whole project comprised of six major components which provided training up to 7000 government officials towards enabling e-governance; ICT@ schools to 168 schools; raising morale and motivating teachers; and management of E-Waste.

It was reported that the Project Coordination Committee (PCC) was established to provide overall leadership, which was chaired by the Secretary, MoIC. The members of the PCC were the Secretaries from the MoIC, Ministry of Education (MoE), Ministry of Labour and

Human Resources (MoLHR), Gross National Happiness Commission (GNHC), Director General of Royal Institute Management (RIM), and the Vice Chancellor of Royal University of Bhutan (RUB). The Project Director was also appointed for timely completion of the project and to act as a linkage between Government agencies and NIIT Limited on all matters relating to the project.

Submission was made that the whole project period was for 5 years from April 2010 to December 2015. The RAA had conducted the Performance Audit of the CRP covering the period from inception to till 31st December 2014 with an overall objective to ascertain whether due regard was given in ensuring economy, efficiency and effectiveness in the operations and management of CRP.

Therefore, the RAA had made five recommendations based on the findings but none of the recommendations were implemented. However, the committee has observed that the Ministry has accepted the recommendations and recorded them for future action by the Royal Government. Moreover, it was submitted that only Nu. 21.200 million would be recovered from the final tranche payment because the retrospective application of service tax exemption might not be possible as per the clarification from the Department of Revenue and Customs (DRC), MoF. Therefore, the Ministry of Information and Communication had assured to recover and deposit it into the Audit Recovery Account.

26.5 Implementation status on the Resolutions of The Fifth Session of the Second Parliament with regards to Public Debt Management

It was reported that the Public Accounts Committee had received two documents viz Review Reports on Public Debt Management from

RAA and Implementation Status on the Resolution of the 5th Session of the Second Parliament from the Secretary of Ministry of Finance whereby some recommendations were implemented and some are being implemented.

26.6 Others Issues

It was reported that as enshrined in the Sections 15 and 16 of the Article 9 of the Constitution, free education has been provided with midday meals in day schools and three meals in boarding schools. However, the recent cases of malnutrition in students could be attributed to low budget or misuse of the available budget. Similarly, hospital patients preferring home made food over food provided at hospitals are reportedly results of poor quality meals provided there.

While deliberating on the Report on System Audit of Hydroelectric Energy (26.2) to expedite the review of Sustainable Hydropower Development Policy, one member suggested on reviewing Bhutan Electricity Act 2001 as it would be very beneficial to amend at the same time. On that, some members submitted that the Parliament had already directed the relevant ministry and the works are being done accordingly. Furthermore, a Special Committee formed in the National Council proposed research based recommendation to the ministry which agreed to implement them. Therefore, it was suggested that the issue need not be discussed further.

Deliberation on the Report 26.3- Regarding Environmental Audit report on Timber Harvesting in Forest Management Units and working schemes, one member submitted delivering electricity wires led to huge deforestation and there were no rules and policies as to who gets the fell trees and thus, it should be clearly included in the rules and policies. On that, another member clarified that the fell

trees should be handed over to the Natural Resources Development Corporation Limited (NRDCL). He clarified, the rules and guidelines had already been framed and being practiced. Hence, he submitted that there was no need for further deliberation.

While deliberation on the Report 26.4- Performance Audit Report on Chiphen Rigpel Project, some members submitted that there were no clear documents on Chiphen Rigphel Project and they sought clarification if Nu. 2 billion has been adopted by the Parliament and also financial accounts for recurrent and capital expenditure. Additionally, since there were inadequacies in project procurement and financial system, a separate financial audit on the project should be carried out again. Moreover, there are possibilities of corruption related cases judging the missing accounts in the project audit report, it was suggested that the case be forwarded to the Anti-Corruption Commission for extensive investigation.

Nevertheless, some members proposed that Anti-Corruption Commission being a Constitutional Body, the Parliament should consider whether passing such directive was lawful in line to the Constitution, Rules of Procedure and Anti-Corruption Act or not. Also, directing such recommendation would not be appropriate to ACC which is an autonomous constitutional body. On that, some members shared their concerns on facing same dangers and inconveniences should there be any similar projects to establish in the future. Concerns were also shared regarding the dangers and threats on the relationship between the two countries as the project had been an initiative based on their relationship.

Clarifying on that, a PAC member stated that as the project fund was an Indian grant, it was carried out in accordance with the memorandum

signed between the two countries. Clarification was also provided on the information of the Chairperson of the Committee, names of the members and the concerned agency who handled the project. The member submitted since the fund was external from the 10th Plan, it was not passed in the Parliament. Despite having audited the financial accounts for recurrent expenditure and capital expenditure, its detail could not be presented as the RAA could not submit such reports. Nonetheless, the summary of the capital expenditure was presented. Moreover, according to the audit report and documents, the project benefitted the community at large thus it was perceived that there was no need for further auditing.

After an extensive deliberation on the six recommendations proposed by the committee, the following four recommendations were accepted by the House:

- a. To enhance implementation of the compliances to the obligations under Multilateral Environmental Agreements, National Environment Commission Secretariat being the designated competent authority and the national focal point should complete the development of initiated overall framework, and delineate the clear roles and responsibilities between the focal and implementing agencies by the end of Year 2016.
- b. To deliver the effective and sustainable electricity services, Ministry of Economic Affairs needs to expedite the review of Sustainable Hydropower Development Policy. Further, the Ministry needs to facilitate greater coordination among the hydropower project implementing agencies such as Druk Green Power Corporation Limited, Bhutan Power Corporation Limited and Bhutan Electric Authority. Ministry of Economic Affairs should work in accordance to the proposals submitted in the

National Council and National Assembly in the past.

- c. In the Forest Management Units, the activities monitored by National Environment Commission is also monitored strictly by the Forest Resource Management Division and Territorial Divisions. However, the Department of Forest and National Environment Commission should discuss and develop a proper monitoring strategy and format.
- e. Considering the fact that ongoing implementation of Resolution 1 and 2 of the 5th Session of the Second Parliament are dependent on the outcome of the Public Debt Policy, the Committee recommends that the Ministry of Finance complete the formalities of the policy development on or before the 8th Session of the Second Parliament.

With this although all the recommendations were accepted, The House directed the Committee to once again review the Recommendation (d) and (f) and consider changes as per the proposals made by the House thereby concluding the deliberation of the first day.

On 27th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 1st July 2016, the Committee reported the revised recommendations (d) and (f) to the House:

- d. The Royal Audit Authority has formulated series of recommendations for initiating corrective actions to address the flaws and deficiencies in the implementation of Chiphen Rigpel Project. It is advisable that government embraces a holistic and systematic approach to strengthen the management system and achieve value for money from such projects in the future. Furthermore, Nu. 21.200 million which the Ministry of

Information and Communication had assured to recover and deposit it into the Audit Recovery Account should be done at the earliest possible and a separate accounts audit of Chipen Rigpel Project to be done by RAA.

- f. Considering the fact that huge expense is made for providing the food services to students and to the in-patients, the performance audit be carried out for food services in Schools and Hospitals by Royal Audit Authority to determine the value for money.

As per the Rules of Procedure, the House voted to determine on the six recommendations submitted by the committee. Of the 68 members present and voting, 49 members voted “Yes”, 10 voted “No” and 9 “Abstained” thereby securing the majority of the vote and accepted all the six recommendations concluding the deliberation on the Performance Audit Report of the Public Accounts Committee. (27th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 1st July 2016). (The voting result is provided separately in Annexure 25)

27. Resolution of the Joint Sitting on the Framework Agreement between Kingdom of Bhutan and the European Investment Bank (EIB) Governing EIB Activities in the Kingdom of Bhutan 2014

The Chairperson of the Joint Committee presented to the Joint Sitting that as per the provisions of the Constitution, the Framework Agreement which was signed by the government was discussed and passed by the National Assembly during the Fifth Session and was submitted to the National Council for its endorsement.

It was submitted that although the National Council deliberated on the Framework during its Sixteenth Session, it could not be endorsed and thus, was submitted with concerns to the National Assembly for re-deliberation. During re-deliberation, the National Assembly failed

to endorse objections raised by the National Council. It was then, submitted to His Majesty for Joint Sitting as per the provisions of the Constitution and accordingly Joint Sitting of houses was approved to deliberate and subject to vote for decision of the House.

Further, the Legislative Rules of Procedure requires that the Joint Committee be constituted to discuss on the disputed sections to obtain consensus. However, since the disagreement was on the entire Framework and that the Framework was already been signed by the government, the Joint Committee could not find avenues to review and propose recommendations for amendments.

Since this is the first time that the two Houses could not reach a consensus on International Conventions, the Committee did not have any reference nor the Legislative Rules of Procedure provided clauses on such matters and therefore, the Joint Committee could not come up with recommendations other than to submit to the house to put to vote to seek endorsement of entire Framework agreement.

On this, the Foreign Minister submitted that unlike the proposal of the Chairperson of the Committee, it would be better, if the government could be given an opportunity to review comprehensively once again by deferring the endorsement of the Agreement. The Finance Minister supported the proposal and the House with show of hands approved the proposal. Thereafter, the house was adjourned for half an hour to allow the Joint Committee to review the deferment proposal and submit to the house for adoption..

Subsequently, as per the order of the House, the Joint Committee proposed for deferment of the Framework endorsement with the following recommendations:

- a) The deferment is accorded as a one-time special case and shall

not be taken as precedent in future. The Framework Convention is deferred for one time because the Legislative Rules of Procedures 2011 did not have provisions to deal with such matters and therefore, the Joint Committee did not have basis to propose for recommendations.

- b) It was recommended that the Legislative Rules of Procedure be amended to incorporate ways of resolving matters when the two Houses are unable to come to consensus in future.
- c) It was also recommended that Government should come up with guidelines and rules of procedure to guide in signing of international conventions, contract, protocols and framework agreements and agreements.

Thereafter, on the deferment motion of the Agreement between Bhutan and European Investment Bank, it was put to voting where 58 voted “yes” while 3 voted “No” 6 ‘abstained” out of 67 members present and voting. Thus securing two third majority in favour of the motion, the motion to defer endorsement of Agreement was carried. The voting result is provided separately in **Annexure 26**.

28. Proceedings of the Address by H.E. Abdul Hamid, President of Bangladesh to the Joint Sitting of the Parliament

28.1 Welcome Speech by the Speaker

The Speaker welcomed the visit of the President of Bangladesh H.E. Abdul Hamid to the Joint Sitting of the Seventh Session of the Second Parliament and said that such a visit would further strengthen the already existing strong bilateral relations between Bhutan and Bangladesh and marks another milestone in the bilateral relations between the two nations.

The Hon’ble Speaker informed the House that the two countries shared a common religious and cultural ties since ancient times. He

also shared on the existing cordial and close relations between the people of the two nations spurred by increasing interaction brought about by development and progress. Further, during the independence of Bangladesh in 1971, Bhutan was able to participate in its process and since then the bilateral relations between the two nations began and over the years, the relations were further strengthened.

The Speaker stated that when the Awami League came to power in 2008, Bhutan was fortunate to have been chosen as the first country in the South Asia for their visit which is considered highly by the Bhutanese people.

The Speaker mentioned the House that apart from His Majesty and Her Majesty the Gyaltsuen, the Prime Minister of Bhutan Tshering Tobgay, the National Council Chairperson, the Speaker and the parliamentarians' official visits to Bangladesh have boosted understanding and in strengthening friendly relations between the two nations.

The Speaker submitted that the visit of the President would further improve the existing close ties between the two countries.

The Speaker expressed his condolences to the government and people of Bangladesh and to the families of those who have lost their dear ones in the attacks on first July by the miscreants which led to the death of 22 innocent people and left many injured. The Speaker stated that such heinous crimes would never be tolerated by the Royal Government, the people and Parliament of Bhutan.

The Speaker in his concluding remarks, offered prayers for long life, peace and prosperity of His Excellency the President and prayed for everlasting close relations between the two nations.

28.2 Address by Bangladesh President, H.E. Abdul Hamid

The President expressed his gratitude to His Majesty the King Jigme Khesar Namgyel Wangchuck and the Government for the kind gesture and State welcome to him. The President reported that the people of Bangladesh are delighted about the birth of His Royal Highness, the Gyalsey Jigme Namgyel Wangchuck. The President offered his heartfelt felicitations to His Majesty along with wishes of prosperity, long life, and happiness to all the Members of the Royal Family.

The President mentioned that, the people of Bangladesh appreciates the newly instituted democracy in Bhutan, which is being ushered to the people with great guidance from their Majesties. He also recalled the seminal role of His Majesty Jigme Singye Wangchuck, the Fourth King, in transforming the monarchy into a Democratic Constitutional Monarchy, on the approach of modernization. For which he submitted that, it was a rare example in the history of democracy.

The President mentioned that Bangladesh and Bhutan share historically warm and friendly ties. Bhutan occupies a special place in the heart of the people of Bangladesh as Bhutan was the first country to recognize their independence on December 6, 1971. Since then, the relations have grown in depth and dimension based on mutual respect.

The President reported that Bangladesh is on the track to become a middle income country by 2021 and further aspires to “Vision 2041” in which they dream of becoming a developed nation. The President stated that another area which holds huge potential is regional connectivity. He expressed his happiness to know that, the National Assembly of Bhutan had passed BBIN Motor Vehicles Agreement on

21 June 2016. He shared his aspiration that it would go a long way in establishing seamless connectivity in this sub-region.

The President reported that Bangladesh has been attacked by terrorist group and caused many harms and deaths to the citizens. He thanked the country, people and the Parliament of Bhutan for showing deep condolence to the families and the victims in such times. He stated that the whole country and Government of Bangladesh would stand firm and face challenge to any outside uprising forces.

In conclusion, the President expressed that he should reiterate that Bhutan's pioneering concept of Gross National Happiness- a unique philosophy to meet global challenges which was getting more and more acceptance. He mentioned that if the people let that simple concept of GNH to be our guide and pursue the vision described by His Majesty the Fourth King, he was certain that the future generations would live a world that would be more prosperous, more secure and peaceful and meaningful. He submitted that the two countries must forge stronger partnership to work for the welfare and economic development of our people.

28.3 Motion of Thanks by the Chairperson of the National Council

Chairperson on behalf of the Parliament of Bhutan, submitted his sincere appreciation to H.E. Mr. Md. Abdul Hamid, the President of Bangladesh for making a historic visit to Bhutan and address to the Joint Sitting of the Parliament. He stated that it was historic for the following three reasons.

Firstly, it was for the first time that a foreign head of state had addressed Bhutan's Parliament after the introduction of parliamentary democracy. Secondly, the state visit by a President of Bangladesh had taken place thirty years after the last state visit by a former President,

H.E. Hussain Muhhamad Ershad in June 1986. Thirdly, it was the third ever visit by a President of Bangladesh which has taken place at a time when Bhutan is celebrating three auspicious events: Firstly, is the birth year of the Second Buddha Guru Padmasambhava. Secondly, it was a year to mark the arrival of 400 years of the Spiritual leader and thirdly the Sacred 108th Year of Monarchy coinciding with the joyous birth of His Royal Highness Gyalsey Jigme Namgyel Wangchuck.

The Chairperson mentioned that it was honored that His Excellency has been the former Speaker and Deputy Speaker as well as a parliamentarian for eight terms. Thus, it was expressed that Bhutan would remain confident that our bilateral relationship as well as parliamentary collaboration would be further strengthened with his leadership and inspiration.

The Chairperson expressed that Bhutan is indeed marching ahead as we consolidate our democracy under the guidance of His Majesty the King and His Majesty's vision is to create a just and harmonious society for Bhutan in the future.

The Chairperson mentioned that, the Government and people of Bangladesh acknowledging Bhutan for being the first country in the world to recognize their independence in 1971, H.E. Mohammad Mohammadullah, the President of Bangladesh has visited the coronation of His Majesty Jigme Singye Wangchuck, the Fourth King of Bhutan in June 1974 and His Majesty's state visit to Bangladesh in December that year had accelerated more than four decades of friendship and cooperation. It was reminded that it was the responsibility of the present leaders and people of our countries to further build our friendship upon this sacred foundation and rich legacy.

The Chairperson mentioned that the two nations have been in spiritual cooperation since early days and thanked the President for reminding them; to work steadfast, particularly aiming towards future business opportunities for fruitful outcomes besides the export and imports.

In conclusion, the Chairperson expressed great admiration on the remarkable socio-economic and political development achieved in Bangladesh. The Chairperson stated that the vision of Sonar Bangla had an essence of very objectives similar to the Gross National Happiness. The Chairperson mentioned that the scope and extent of our co-operation concerning bilateral and multilateral issue could be pursued within the framework of Sonar Bangla and GNH. *(30th Day of the 5th Month of the Fire Male Monkey Year corresponding to the 4th July 2016).*

29. Prime Minister's Annual Report on the State of the Nation, including Legislative Plans and Annual Plans and Priorities of the Government

In accordance with Article 10(10) of the Constitution of the Kingdom of Bhutan, On 5th July 2016, Hon. Prime Minister presented the Annual Report on the State of the Nation, including Legislative Plans, Annual Plans and Priorities of the Government based on Gross National Happiness Survey conducted by the Centre for Bhutan Studies. The main areas focussed within two hours and forty five minutes of report are as follows:

The Prime Minister reported that according to the International findings and research reports, in Bhutan the economy, status of business, level of corruption, freedom of media are all in good compared to other countries and Bhutan is recognized in the world as nation of Gross National Happiness.

He further reported that these kinds of results are due to the blessings of our deities, the hereditary monarchs and particularly due to dynamic leadership of His Majesty.

The Prime Minister conveyed his acknowledgement to His Majesty and Her Majesty the Gyaltsuen for the joys the citizens have got to experience in celebrating the birth of HRH the Gyalsey and by granting the opportunity for them to receive the audience of HRH the Gyalsey.

The Prime Minister thanked His Majesty for his tireless work particularly in strengthening the foreign relations. Which in numerous visits by high level foreign dignitaries including Princes and Princesses and Presidents among others, which further added in strengthening the nation's sovereignty and independence. He reported that under command of His Majesty, the Bhutanese Embassies in Delhi, Thailand and Bangladesh are in plan for expansion and re-constructions and also new Bhutanese embassies office would be established in Assam-Guwahati in India.

Findings of the Gross National Happiness

The Prime Minister reported that, as per the findings of the Gross National Happiness Survey conducted by the Centre for Bhutan Studies, though the happiness level of Bhutanese has gone up and there is improvement in health, education and living standard but rural people and women have less happiness. The Prime Minister also reported that; the Government to people services needs improvement and there is a need to give priority to customs and traditions. With this reports, the Prime Minister presented the State of Nation based on Survey Findings of Gross National Happiness conducted in 2015..

Health

The Prime Minister reported that the GNH survey indicates that though the health of the people has improved, to further strengthen, the government has allocated a budget of Nu. 4.505 billion. And in addition, new hospitals are being constructed in five Dzongkhags. Similarly, Gyaltsuen Jetsun Pema Mother and child care Hospital has begun construction and in addition, the Women and child unit has been strengthened and a painless delivery service(Epidural anesthesia) has been started in Thimphu JDWNRH.

He reported that, on order for the improvement of health services, four well-planned measures are approved. The Health and Sanitation Act has been amended and further, His Majesty issues monthly grants to 814 old aged Bhutanese who are deprived of proper care. And under the Command of His Majesty, the construction of meditation homes for them have started.

Education

He reported that, according to the GNH survey, Uneducated people are less happier and therefore, government has allocated more than Nu.10.924 billion for education.. Government has initiated two projects for the capacity building of the central schools and teachers. And established 51 central schools and 8 more central schools would be established this year and by the end of 11th Plan, 60 central schools would be established and for this this Nu. 3 billion would be kept. He also reported that it is important to expand the Government and private schools in the urban areas.

Further, he reported that His Majesty established a new Royal Institute in Paro with 60 students of which all are children of economically disadvantaged parents and currently 2657 students are studying

under Galpoi Tozey and from this year, the government has increased the ceiling of tax exemption on the expenditure of school education. Prime Minister also reported that, in order to build the efficiency of the 8605 school teachers across the country, as a special support from the government, year 2016-2017 is marked as year of capacity building of teachers and allocated Nu.117 million for this purpose.

Prime Minister reported that, as result of marking the year 2015 as a Reading Year, a total of more than 3.5 million books were read by the students in the schools and the government has exempted the taxes on books, to encourage students to read more,

Prime Minister further reported that, a total of 8855 students graduate every year from the higher secondary schools and students incur huge expenditure to study outside Bhutan. However, the quality of education are doubted and therefore, government is framing policies to expand and establish new colleges as well as approved the establishment of private colleges in the country.

Living standard

The Prime Minister reported that, according to the survey report on the GNH, in the last 5 years the living standard has improved, with the increase of amenity services to rural areas in terms of mobile phones, Television, electricity and vehicular facilities and it s also reported that there is 97.7 % of secure drinking water and 68 % of clean toilets. He also reported that, last year the Government has allocated Nu. 321 Million for maintenance of drinking water, whereas, this year Government has allocated Nu. 388 Million. Moreover, in order for the living standard to improve, personal income tax is exempted for income below 2 lakhs and also he stated that Government is constructing residential house for lower rents.

Economy

The Prime Minister reported that, according to the survey report of the International Monetary Fund, Bhutan's economic growth stands third among 196 countries in the world and an internal growth is expected to grow by 7.7 percent and importation of goods has increased and looking at the importation of 11343 vehicle, is not only a growth in the living standard but also a sign of improvement in rupee shortage and these are signs of good economy. In the last three years, additional Nu.8 billion is generated as an internal revenue and now with the operation of duty free corporation and lottery corporation, this is expected to further increase the internal revenue generation.

Foreign Currency Reserve

The Prime Minister reported that foreign currency reserve stands at 1116.39 million US Dollars and Rs.19077.71 million, while national debt stands at Nu.140 billion of which Nu.105 billion is for Hydropower related loans. Therefore, there is no worry of not being able to pay back but Nu.35 billion is non-hydro loan, which demands extra effort and therefore, government has approved a public debt policy and government has identified five jewels to achieve the self-reliance.

First Jewel of Economy: Hydropower

Prime Minister reported that, Bhutan has a total Hydropower production of 1606 megawatt and in 2015, Bhutan produces produced 7382 units of electricity, which generated additional income of Nu.7 billion. He reported that the hydro power projects that are under construction today, would generate 3658 megawatt. He also reported that, Mangdechhu Hydropower Project would be completed by March 2018 and further Punatsangchu Hydro Power Project II would

be completed by June 2018 and Punatsangchu Hydropower Project I would be completed by July 2017. A 600 megawatt Kholongchu Hydropower Project and 118 megawatt Nikachhu Hydropower Project have begun and a new tax Policy for electricity usage is also in place.

Second Jewel: Agriculture

The Prime Minister reported that, the GNH survey revealed that farmers are less happy and this is mainly because of long duration of working hours under unpredictable weather conditions and also because of damages to crops and livestock by wildlife. The Prime Minister said that, since 70% of the population are farmers and only 7% of the total land is arable, His Majesty granted 136474 acres of land as kidu to 110455 farmers and also His Majesty initiated the second round of land kidu. Government has framed a land and Tsamdro lease policy which allows the citizens with interest in farming to lease land and Tsamdro.

On that, he also reported that, within last three years, the government have constructed 1450 km of farm roads, 500 km of irrigation channels, likewise provided seed and cash crop seedlings, greenhouses and distributed 462 power tillers in the 48 Gewogs, besides providing training for maintenance of power tillers.

He also stated that, similarly, in the last three years, the government has installed 1236 km of electric fences covering 7698 benefiting 6638 households. As a result there is an increase in agricultural and livestock production and government has sanctioned Nu.424 million to provide loans to farmers.

Third Jewel: Tourism

Prime Minister reported that, even though, 141898 tourists visited

Bhutan generating a revenue of Nu.4.3 billion and provided employment to 25500 people in 2015, If there are no clear and strong tourism policies, it may affect our environment, culture and traditions. Therefore, he reported that the government is planning to conduct research on the low volume high merits tourism and adopt new policy.

Fourth Jewel: Cottage and Small Industries

The Prime Minister reported that, there are 16540 cottage and small industries in the country and they are very important components of our economy and equitable regional development. Therefore, he reported that, to support these industries, Rural Enterprise Development Corporation Ltd. has been established. In addition, Rural Enterprise Development Corporation Ltd. branch offices will established in all 20 Dzongkhags and Royal Monetary Authority is in the process of drafting a Rules for the Small and Cottage Industries.

Fifth Jewel: Mining

The Prime Minister reported that, in order for the improvement of Mining conditions, Mineral Development Policy and mineral rent and royalty has been revised and now the government is expected to generate additional revenue of Nu.129 million due to increase in in the mineral rent and royalty. Prime Minister reported that, to improve the ease of doing business, a policy has been finalized and Royal Monetary Authority is carrying out a study to decrease the interest rate in the financial institutions and also the government is also reviewing about six laws.

Rural Development

Prime Minister reported that considering the importance of decentralization, roads, electricity, telecommunication services in the rural development, Government has allocated Nu.1.40 billion for

the upgrading East-West Highway and also budgeted Nu. 1.6 billion for other roads. The government has budgeted Nu.1.260 billion for blacktopping of roads for 77 remaining Gewogs besides the roads in 17 Gewog Centres already blacktopped.

Farm roads

Prime Minister reported that the Government has built 1540 KM of farm road at total cost of Nu.1.530 billion in the last three years and Nu.960 billion was spent in maintenance of those roads. He also reported that Nu.1.261billion was allocated for construction of 813 Km of new farm roads in the financial year 2016-2017.

Electricity

The Prime Minister reported that one of the most important measures for rural development is the electricity and therefore, government has provided 100 Units of free electricity to every rural household per month. And he reported that the Government has spent Nu.77 million last year by distributing LED Lamps to promote efficiency of energy.

Telecommunication

The Prime Minister reported that, many rural areas are connected with Mobile network services and by this year the Government would connect 63 remaining villages with the service of mobile network.

Farm Shops

Prime Minister reported that farm shops are established in 70 gewogs so far and government plans to establish farms shops in 80 more Gewogs in this year and by next year, every 205 gewogs would have farm shops.

Banks

The Prime Minister reported that with the plan to establish branch offices by the Bhutan Development Bank in all Gewogs in future,

the farmers would be able to avail the banking services within their Gewogs and till now, a total of 7854 rural people have opened bank accounts and are availing the services.

Small Industries

The Prime Minister reported that there are total of 11571 small industries in the rural villages and last year, Government exempted a tax of Nu. 22 million for small industries. He further reported that, Nu. 424 million is being sanctioned for 2075 projects under the Business Development and Information Centre, and out of which 269 projects are for small industries.

Non-formal Education

The Prime Minister reported that the GNH Survey revealed that those people who are illiterate are less happy and only 55% of the adults are literate in the Country. Therefore, the Government will prioritize the Non-Formal Education and work on it.

Helicopter Services

The Prime Minister reported that Helicopter service has not only transported 50 patients on time to avail the medical services but also benefited the rural Gewogs at large. He further reported that the Second helicopter has also arrived in the country and considering the importance of the air services, Yonphula Airport maintenance is expected to complete by this year.

Crop and Livestock Insurance

Prime Minister reported that one of the major difficulties of farmers is destruction and damages of crops by pests diseases and wild animals and therefore, government is exploring to start up an insurance scheme this year.

Life Insurance

The Prime Minister reported that since the current Life Insurance is inadequate and thus to address the difficulty, the government will increase the life insurance.

Poverty

Prime Minister reported that the Government has assisted 304 villages to reduce the poverty. He also reported that GNH Survey findings indicate that the rural communities are developing and this is solely because of His Majesty's efforts and therefore the Government extends gratitude to His Majesty.

Women

The Prime Minister reported that, although outsiders observe that there is gender-equality in the country, the GNH Survey revealed that Bhutanese women experience less happiness and therefore, government has plans for extension of maternal leave, setting up crèches, nutrition supplements, business, Early Childcare and Development centres.

Employment

The Prime Minister reported that, though unemployment rate decreased to 2.5 % this year from 2.6% last year, the youth unemployment rate has increased to 10.7% this year compared to 9.4% in the previous year. Prime Minister reported that the Ministry of Labour and Human Resources created 3579 in-country and 1439 oversea employment opportunities and further government has supported those youths interested to take up farming. He further reported that Royal Monetary Authority has been assigned to explore the opportunities and feasibility to allow the opening of Foreign Currency Accounts in Bank of Bhutan for those Bhutanese working outside Bhutan.

Good Governance

The Prime Minister reported that the GNH Survey indicated that education, health services employment opportunities are inadequate and an extra effort must be put in, for the prevention of corruption. The Prime Minister reported that to address these issue, the Government has come up with 3 measures; the Government Performance Management System, Government to Citizen and Decentralization and focusing on the importance of decentralization the Government has allocated Nu.12.347 billion to the local government and in addition, since the Gewog Development Grant has greatly benefited the people, in the financial year 2016-2017, the Government has budgeted Nu.70 million to each Dzongkhag for Dzongkhag Development as Dzongkhag Development Grant.

On this, the Prime Minister further reported that while the development plans for Dzongkhag Thromdes are being made, Government decided to keep the wetlands as it is, and he reported that the Government has no plans to decide the boundary for the thromde immediately, and only those people availing the Thromde Facilities will be liable for taxes while other continue to avail rural amenities.

Environment

The Prime Minister reported that it is responsibility of every Bhutanese to maintain the environment as maintained under the dynamic leadership of their Majesties. And under the command of His Majesty, two different funds are being established for the sustaining of Bhutan and world Sanctuary. He also reported that in order for Bhutan to keep green, Green Bhutan Corporation has been established as well as government has operationalized wildlife sanctuary in Jomotshangkha.

Religion and Culture

The Prime Minister reported that according to GNH Survey, there is a need to strengthen the culture and as there is a decline in spirituality and these are great concern and therefore, government has budget Nu.2.330 billion for Dzongs and Monasteries. He also reported that new dzongs are being constructed including Drugyel Dzong and 34 monasteries are under renovation and he conveyed his acknowledgement His Holiness the Je Khenpo on behalf of the Government for conducting several religious activities.

Similarly, Prime Minister also thanked the Zhung Dratshang, Rabdeys, Chhoedheys, Lams, Trulkus and Hindu Pandits for conducting rituals for nation and people and also under command of His majesty, every Lam Neten will be provided with Toyota Hilux and exploring the similar facilities to support the caretakers of 2126 monasteries in the country.

Similarly, Prime Minister reported that, 1908 chortens were renovated out of 2584 chortens requiring renovation in the country and remaining 676 chortens will be expected to complete by end of this year. Prime Minister further reported that, construction of a temple in Bhutanese place in Lumbini in Nepal has begun and is expected to benefit the Bhutanese pilgrims in future and His Majesty also commanded for the construction of Shiva Mandir in Samtse and Jomotsangkha and a Hindu Mandhir in Thimphu and Gelephu to benefit the Hindu Community.

Concluding the report, the Prime Minister reminded that all Bhutanese must serve the Tsa-wa-sum with integrity and respect the precious commandments ushered by His Majesty with great concerns, at all times and offered his prayer for the good health, long life and

wellbeing of their Majesty the 4th King, His Majesty and His Royal Highness the Gyalsey, Members of the Royal Family and for the continued peace, prosperity and security of the nation.

30. Proceedings of the Closing Ceremony

His Majesty the Druk Gyalpo was received in an elaborate Serdrang and Chibdrel ceremony to the Golden Throne in the Grand National Assembly Hall and commenced the Concluding Ceremony of the Seventh Session of the Second Parliament.

30.1 Address by His Majesty the King

I am pleased to be here today to address the closing ceremony of the Seventh Session of the Second Parliament.

As we carry out the immensely important duties related to nation building, the members of the National Assembly and the National Council, who together constitute the 72 Members of Parliament of Bhutan, carry with them a sacred responsibility.

It is my personal observation over the years that our parliamentarians have carried out their responsibilities dutifully and well.

An important responsibility of the members of parliament, as representatives of the people, is to understand the views, concerns, and the ground realities of our people, to consult with them on national development activities and policies in the process of lawmaking, to keep them informed, and ensure that the will of the people is reflected adequately in all decisions of national importance.

Likewise, parliamentarians have the duty to ensure that a strong system of check and balance exists. Our parliamentarians have been fulfilling these duties exceptionally well.

In the span of eight-and-a-half years since the transition to

parliamentary democracy, the first and second parliaments together have convened a total of 18 sessions. During this period, 35 laws were enacted, 14 amended, 18 repealed, and 25 international conventions ratified by the legislative body.

In the course of their duties, our parliamentarians have been judicious in the selection of bills for discussion, choosing those which are relevant and beneficial to our people. In addition, they have researched the various issues comprehensively, and finally, carried out extensive deliberations in parliament, in order to endorse their final decisions after arriving at a consensus.

Our democracy is strengthened each year as we gain invaluable experience. The members of the parliament have conducted themselves impeccably, and have prescribed to excellent standards of decorum during parliamentary proceedings, and as a result, we have been able to set a good precedence for the future. I commend our parliamentarians and express my heartfelt appreciation.

The current government, since it took over in 2013, has been working towards the wellbeing and progress of our people and country. Balanced socio-economic development is central to this endeavor, as outlined in the 11th Five Year Plan. The outlay for the 11th plan is Nu 213 billion, which makes it by far, the largest plan we have ever undertaken.

In addition to this, there are numerous other projects outside the plan, including the major hydropower projects. These activities are being carried out successfully across the 20 dzongkhags and 205 gewogs, as reflected in the mid-term review that was completed recently. I extend my full support to the government as it carries out these important activities.

This is the tenth year since I became King, and it has been eight-and-a-half years since we transitioned to parliamentary democracy. Our experience so far has been one of success. But more importantly, when I look ahead, I find that there are many reasons to be happy and confident about our future.

Let me broadly elaborate on four of these reasons:

Firstly, our country is getting smaller due to increased connectivity. The road network throughout the country has become better and more extensive, making it much easier for our people to travel, work and trade. The number of mobile phones in the country is fast catching up to our population, enabling our people to connect to each other from different parts of the country with ease. Internet reach has expanded, allowing our people, especially the youth, to access information and news more easily than ever before. Through television, people are up to date with the news and current events. All these have brought our people closer to each other and have closed the gap between the government and people, thereby greatly helping with socio-economic development activities, and enhancing the prosperity of our people. More importantly, this will greatly benefit our democracy.

Secondly, with greater access to information and experiences, our people are better educated and more confident, and our society as a whole smarter than ever before.

Thirdly, our institutions are getting stronger. For our new democratic system, we established new democratic institutions, and enacted new laws. We began with limited experience, and were certainly faced with challenges. Along the way, we were able to identify our weaknesses, respond to change, and address problems in a timely manner. That is the true mark of a strong and capable institution. As

a result of our dedication and commitment, our institutions continue to grow stronger each year.

And finally, tremendous work has been put in over the course of many years, to lay firm foundations for our democracy. All this was new to us, and we didn't have a lot of experience to fall back upon. Moreover, party politics was an entirely new concept for Bhutan. Yet, we managed to steer our country in the right direction from the very beginning, and in the course of 8 years, we have gained invaluable experience and built a stable democracy.

The King, country, and people of Bhutan have a common aspiration for our democracy— we aspire for a democracy with rule of law, democracy with unity, democracy with integrity, democracy with talent and meritocracy, democracy that is responsible, and democracy that serves.

Our democracy must meet the needs of the people and country, while at the same time, our people must always have confidence in the future of our democracy. If, through these endeavors, we create a just and harmonious society, we will truly have a people's democracy.

Democracy is regarded as the best form of governance around the world, and we consider it among our most important national objectives. But democracy has failed in many countries. Therefore, we cannot be complacent that things are going well for us, but remain cautious and continue to serve to the best of our abilities.

Jetsun and I have been filled with a profound sense of joy since the day of the birth of our son in February this year. I now have an added responsibility— to raise my son in the manner that I was brought up by my Father. I must ensure that when his time comes, my son is able to serve his people and country in an exceptional and exemplary

manner. My endeavor will be to impart all that I know to him. While I will be his teacher today, my prayer is that one day, I will be the one who learns from him.

Elders often say that when you have children, your entire perspective changes. Perhaps some of you have wondered how the responsibility of fatherhood has affected me.

I have always worked with an overwhelming sense of responsibility for the future. As a father, when I hold my son and look into his eyes, I realize that I am not the only parent in our country. As parents, we all want the future of our children to be brighter than our own. It is our collective responsibility to hand over a country that is stronger, more peaceful, and more prosperous, to our children.

That is why, we must be the ones to make sacrifices, take calculated risks and to take on the responsibility of making tough decisions— to do everything that needs to be done to secure the future.

To return to the question, have my perspectives changed after I became a father? The answer is no. They have only been reinforced since the birth of my son.

In 2008, the people of Bhutan came together to celebrate my Coronation with great rejoicing. Our people celebrated the Royal Wedding, the 60th Birth Anniversary of His Majesty the Fourth Druk Gyalpo, and the birth of my son, in a similar manner.

During the military action in 2003, the people of Bhutan were united and loyal in their service to the nation. In 2008, the entire country responded with wholehearted participation to the royal initiative to establish democracy. To this day, whenever a natural disaster strikes,

every citizen of Bhutan steps forward instinctively in support and solidarity.

The people of Bhutan celebrated the birth of Jigme Namgyel Wangchuck with profound joy and togetherness, and offered their heartfelt wishes and prayers. The reason for the special manner of celebration went beyond the occasion of the birth of a Prince.

The way in which we come together in times of happiness or difficulties, shows that more than ever before, we are united by a strong sense of a shared identity, and take immense pride in being Bhutanese. We are bound as members of a single family, with tremendous concern and care for each other's well being.

On this auspicious occasion, I take the opportunity to express our heartfelt gratitude to our beloved Drukgyal Zhipa, to whom we owe all our happiness and success as a nation and people, for His Majesty's precious blessings during the birth of our son.

I would also like to express my gratitude to Jetsun - my partner and my best friend, for her constant love and support, and for being an extraordinary mother to our son.

And lastly, I thank the people of the twenty Dzongkhags for your never-ending support and affection. All my endeavours in this lifetime remain pledged in service to you.

Tashi Delek!

30.2 Motion of Thanks by the Minister for Home and Cultural Affairs, National Council Member from Tsirang Dzongkhag and National Assembly Member from Khar-Yurung Constituency

The Members on behalf of all Members of parliament submitted their heartfelt gratitude to His Majesty The Druk Gyalpo for always

blessing the Parliament with his gracious presence during the Opening and Closing ceremony of every sessions of Parliament despite His Royal engagements. Members submitted this gesture grants them with confidence, encouragement, motivation and commitment to serve the nation and people.

The Members offered sincere gratefulness to His Majesty and Her Majesty the Gyaltsuen for blessing the people of Bhutan with the Gyalsey, Jigme Namgyel Wangchuk, marking the naming ceremony of the Gyalsey and also for introducing the Gyalsey to the people of Bhutan which gave immense happiness and joyfulness to the people, corresponding to the auspicious year of three joyous occasion.

On behalf of the Parliament, words of thankfulness were offered to His Majesty for granting numerous lands and citizenship kidu, necessary kidu for young students and needy people, and initiating resettlement programmes at Dawathang, under Jomotshangkha in Samdrup Jongkhar.

The Members thanked His Majesty for granting opportunities to the officers from the Three Armed Forces to serve the UN Peacekeeping Programme and for being the patron for Desuung programme. Moreover, gratitude was expressed for increasing the pay scale for the Royal Armed forces.

Furthermore, heartfelt gratitude was offered to His Majesty the King for commanding the construction and renovation of numerous Dzongs, monasteries and temples in the country and for supporting the construction of a new Hindu Temple and shrines for those people who practice Hinduism.

The Members thanked His Majesty for granting audience and rendering hospitality to the foreign heads of the states, the king

and the queen, president and prime minister and other high level delegations during their visits to the country and thus developing Bhutan's relations and ties with the foreign countries.

On behalf of all Members of the Parliament, words of profound thankfulness were offered to His Holiness the Je Khenpo, Lams and Khentrueks and all monastic institutions for conducting numerous kurims and carrying out religious programmes across the nation and for the wellbeing of the nation.

On behalf of the Parliament, the Members offered gratefulness to Her Majesty the Gyalsuen for initiating numerous important projects for generating output in each Gewog, for personally granting support to help the differently-abled children and patients from economically disadvantaged families visiting hospitals, and carrying out several initiatives for the benefit of the country and the people. The Members also thanked the Royal Family for conducting various tasks for the welfare of the people and the country.

In conclusion, the Members of Parliament offered oath of allegiance to fulfil the visions of His Majesty to ensure that the vibrant democratic government in the country functions within the rule of law, to create transparent and accountable society for the people of Bhutan under the precious advice and wise guidance of His Majesty the Druk Gyalpo.

30.3 Concluding Address of the Speaker

On behalf of the Parliament, the Speaker welcomed and offered gratitude to His Majesty for gracing the Closing Ceremony of the Seventh Session of the second Parliament, despite having numerous Royal engagements to attend.

The Speaker also welcomed Her Majesty the Gyalsuen, Members

of the Royal Family, monastic body, senior Government officials, diplomats and the public to the ceremony.

The Speaker offered gratitude to Their Majesties on the Royal visit in the east to introduce His Royal Highness the Gyalsey to the people and personally entering the Gyalsey's Name in an ancient document that bears the names of all the ancestors of the Wangchuck Dynasty which trace back to Pema Lingpa on the auspicious Tenth Day of the Monkey Month.

On behalf of the Parliament, the Speaker thanked His Holiness the Je Khenpo for presiding over numerous kurims and conducting prayers of Tsig Doen Soelde, Goenpo Dhoechog and Sangchoed Tashi Raykong for the peace in the country and His Eminence Dzongsar Jamyang Khyentse Rinpoche for presiding over Rinchen Terzoe Wang, Lung and Thri at Guru Nangsid Zilnoen statue in Takila, Lhuentse.

The Speaker informed that the Second Royal Bhutan Flower Exhibition had been held at Paro under the patronage of Her Majesty the Queen Mother Tshering Yangdon Wangchuck to commemorate the Birth Anniversary of His Royal Highness the Gyalsey Jigme Namgyel Wangchuck. Also, under the Royal initiative His Majesty and coordination of His Holiness the Je Khenpo, the people and the Dratshang with the support from the Ministry of Agriculture and Forests had planted large number of saplings on the Social Forestry Day across the country.

The Speaker reported that last year, 100 men volunteers had planted 49,672 saplings in one hour at Kuensel Phodrang, Thimphu which had entered in the Guinness Book of World Records. Similarly, 100 women volunteers had planted an international record high of 49,718

saplings in one hour near the Guru statue at Takila, Lhuentse this year. The Speaker mentioned that the initiative was beneficial in maintaining not less than 60 % forest coverage in the country. On behalf of the Parliament, the Speaker extended appreciation to all the volunteers.

The Speaker informed that following were adopted in the Joint Sitting of the Seventh Session of the Second Parliament:

- a. Jabmi (Amendment) Bill of Bhutan
- b. Companies Bill of Bhutan
- c. Performance Audit Report
- d. Paro Dzongkhag Thromde
- e. The Speaker reported that the Parliament had deferred and directed the Government to review on the Framework Agreement between the Kingdom of Bhutan and European Investment Bank governing EIB activities in the Kingdom of Bhutan.

Similarly, the Speaker submitted that following Bills and Conventions had been discussed in the National Assembly:

- a. Customs Bill of Bhutan
- b. Civil Aviation Bill of Bhutan 2015
- c. Motor Vehicles Agreement for the Regulation of Passenger, Personal and Cargo Vehicular Traffic between Bangladesh, Bhutan, India and Nepal, and then referred to the National Council of Bhutan.

The Speaker informed that the Parliament had adopted a recurrent expenditure of Nu. 25,387.034 Million and capital expenditure of Nu. 29,441.194 Million totaling to the Annual Budget of Nu. 54,828.228 for the Financial Year 2016-17. Similarly, a Supplementary Budget of Nu. 3,403.905 had been adopted for Financial Year 2015-16.

Furthermore, the Speaker stated that the Personal Income Tax had been increased to Nu. 200,000 from Nu.100,000 and annual expenditure for one student had been increased to Nu.150,000 from Nu.50,000. The Speaker also mentioned that customs tax on the import of medical investigation equipment and library books has been exempted, and minimal royalty for the export of minerals had been increased. The Speaker shared his hopes that the revision would be beneficial to the Government and the people.

The Speaker reported that on July 5, 2016 Hon. Prime Minister had presented the Annual Report on the State of the Nation including Legislative Plans and Annual Plans and Priorities of the Government to Druk Gyalpo and to the Joint Sitting of Parliament in line with the Gross National Happiness Survey Report of the Centre for Bhutan Studies (CBS). The Speaker also presented the summary of the speech delivered by His Excellency Hon. Md. Abdul Hamid, the President of People's Republic of Bangladesh on July 4, 2016 to the Joint Sitting of the Parliament.

In conclusion, the Speaker expressed that the Members of the Parliament would like to offer prayers for the good health and long life of His Majesty the Druk Gyalpo, His Majesty the Fourth Druk Gyalpo, His Highness the Gyalsey, Her Majesty the Gyaltsuen and the Members of the Royal Family under the summit of the Golden Throne. Similarly, prayers were offered for the continued wellbeing of all the religious masters led by His Holiness the Je Khenpo and concluded the Seventh Session of the Second Parliament of Bhutan. The detailed speech is provided separately in the Annexure 27. *(3rd Day of the 6th Month of the Fire Male Monkey Year corresponding to the 7th July 2016).*

Annexure 1

Annexure 1: Speech of the Hon. Speaker Jigme Zangpo at the Opening Ceremony of the Seventh Session of the Second Parliament of Bhutan

1. Today, on behalf of the Members of Parliament and on my own behalf, I would like to welcome and express gratitude to Your Majesty for gracing the Opening Ceremony of the Seventh Session of the Second Parliament.

I would also like to welcome Her Majesty the Gyaltsuen, Members of the Royal Family, representatives from the monastic body, senior Government officials, Armed Force personnel, diplomats and the public to the ceremony.

2. As everyone is aware, this year is indeed an extraordinary and a historic one for Bhutan and the Bhutanese people. As the saying goes, “Heaven holds the trinity of the sun, moon and the stars while earth holds the trinity of the King, Ministers and the People.” Today in Bhutan, there is peace in the country with unwavering cohesion among the people, ministers and the gracious presence of Their Majesties. Moreover, I would like to submit that it is a landmark in the history of Bhutan and fortunate to serve under the prosperous, peaceful and dynamic leadership of His Majesty the King, His Majesty the Fourth Druk Gyalpo and the Royal Birth of Gyalsey Jigme Namgyel Wangchuck which signify the Triple Gem.
3. I would like to submit here that it is remarkable to witness Her Majesty the Grandmother Kezang Choedon Wangchuck, Her Queen Mother Tshering Yangdon Wangchuck, and Her Majesty the Gyaltsuen Jetsun Pema Wangchuck for having carried out

Annexure 1

royal aspirations of His Majesty under their patronage for the welfare of the Country and the people which remain highly indebted for the Bhutanese and the country forever.

4. The people of Bhutan celebrated three very important joyous occasions:

Firstly, under the wise and visionary leadership of His Majesty the King, the people of Bhutan commemorated the 60th Birth Anniversary of our Fourth King Jigme Singye Wangchuck.

Secondly, it was also a year of the Birth Year of the Second Buddha Guru Rinpoche.

Thirdly, it was a year to mark the arrival of 400 years of the Spiritual Leader, Zhabdrung Ngawang Namgyel in the country as prophesized by the great masters and divine beings.

5. On behalf of the Parliament, I would like to express our deepest gratitude to Your Majesties for blessing the country and the people with the Royal Heir- who is the symbol of perpetuity of the Wangchuck dynasty, everlasting peace and sovereignty, unity and the economic growth of the country for all times.
6. His Holiness the Je Khenpo and the Five Lopens, the Government, Dzongkhags and the people of 205 Gewogs have conducted prayers for the safe birth of the Gyalsey. Moreover, several prayers were held throughout the length and breadth of the county. A grand naming celebration of Gyalsey at Punakha, special prayers at Kuensel Phodrang in Thimphu and Takila in Lhuentse were the hall mark of the celebrations offered for the long life our Gyalsey, Jigme Namgyel Wangchuck. The Parliament would like to extend appreciation and gratitude for carrying out these noble initiatives.

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7. On the invitation of the world's renowned organization, Lyonchen Tshering Tobgay has participated in the World Leaders' TED Talk in Vancouver, Canada. He has not only demonstrated his intellect and charismatic leadership but he also shared his visions on Democracy, Governance, Sustainability, Economic Development, Culture, Environment and Climate Change. Lyonchen Tshering Tobgay has been recognized as one of the Top 50 Leaders of the World. We would like to congratulate him for projecting the image of Bhutan and making us proud.
8. The Prime Minister and his able team have completed the 11th FYP Mid-Term Review. It is happy to know that the progress achieved is remarkable because of efficient and effective support from the central ministries, agencies and Local Government. The Parliament would like to extend appreciation to all implementing agencies for their hard work.
9. The Hon. Prime Minister, Chairperson of the National Council, Cabinet Ministers, Opposition Leader and Members of Parliament have visited their constituencies to see the ground reality on delivery of services and dissemination of information on plans and programs. I have also visited twenty Dzongkhags, institutions and met more than 26,000 people in total. On behalf of the Parliament, I would like to thank the Local Government for making our visits useful and fruitful.
10. I have led three delegations, Speakers' SAARC Summit in Bangladesh, 134th IPU in Lusaka, Zambia, and a conference in Japan. We got opportunities to interact and share experiences with the eminent parliamentarians and could build good relationships.

Annexure 1

11. I would like to submit the deepest gratitude to His Majesty for granting the Members of the Parliament the opportunity to attend two-weeklong leadership training at the Royal Institute for Governance and Strategic Studies (RIGSS). I would also like to thank His Majesty for granting support to the Members of the Parliament. I am confident that the Members of Parliament would make good use of the skills and experiences gained from the Institute.
12. The following agendas will be discussed in the Joint Sitting of the Parliament:
 - 1) Jabmi (Amendment) Bill of Bhutan 2016
 - 2) Companies Bill of Bhutan 2015
 - 3) European Investment Bank (EIB) Agreement
 - 4) Performance Audit Report and deliberation on the Review of Dzongkhag Thromde delimitation for Paro.
13. The following Bills and Conventions will be discussed in the National Assembly:
 - 1) Customs Bill of Bhutan 2015
 - 2) Civil Aviation Bill of Bhutan 2015
 - 3) Motor Vehicles Agreement for the Regulation of Passenger, Personal and Cargo Vehicular Traffic between Bangladesh, Bhutan, India and Nepal
 - 4) Income Tax (Amendment) Bill 2016
14. The House will also deliberate on the Budget Report for the Fiscal Year 2016-2017, Annual ACC Report and the Committee Reports.
15. The National Assembly has received several agendas from the

Annexure 1

Local Government and deliberated in the Preliminary Meeting. It was decided in the meeting to forward the issues to the relevant ministries and agencies for review and appropriate actions. I hope the concerned ministries and agencies would take appropriate action without further delay.

16. Lastly, with the grace of Triple Gem and deities, due to benevolent leadership of our His Majesty the King, prayers of the monastic body, collective merits of the people of Bhutan and support from the Members of Parliament, I am hopeful that the Seventh Session of the Second Parliament of Bhutan would be very successful.

Annexure 2

Annexure 2: Royal Assent for the deliberation of the 23 Disputed Clauses of Jabmi(Amendment) Bill 2014 between the National Assembly and National Council and The Agreement of European Investment Bank Between the European Union and Bhutan on the Framework and Management of European Investment Bank.

The Royal Assent is hereby granted on the submission for the deliberation on the 23 Disputed Clauses of Jabmi (Amendment) Bill 2014 between the National Assembly and National Council and The Agreement of European Investment Bank Between the European Union and Bhutan on Framework and management of European Investment Bank as per the Article 13 of the Section 8 of the Constitution of Kingdom of Bhutan.

Granted on the 21st Day of the 3rd Month of the Fire Male Monkey Year.

Druk Gyalpo

Annexure 3

Annexure 3: Joint Committee's Recommendation on the Diaagreement between Natioanal Assembly and National Council on the Jambhi (Amendment) Bill of Bhutan 2014

Title of Chapter 2

Jabmi Tshogdey and ~~Jabmi Thuentshog~~

Sub sections of Section 3

- (b) The Attorney General as ex-officio member;
- (f) Three members elected from amongst Jabmis.
- (g) An Independent Representative.**

Section 5

The elected President shall be the head of the Office of the Jabmi Tshodey for a term of Three years.

New sections after Section 5

- (a) The President of the Jabmi Tshodey shall be eligible for re-
~~appointment election.~~
- (b) ~~The members of the Jabmi Tshogdey shall elect the President from amongst a minimum of three nominees. The President of~~
Jabmi Tshogdey shall be elected from amongst the members of Jabmi Tshogdey.
- (e) The Attorney General and Chairperson of Jabmi Thuentsog shall not be eligible for nominee of the President ~~Chairperson~~ of Jabmi Tshogdey.

Section 7

The Jabmi Tshogdey shall have a Secretariat to assist in the discharge of its functions. ~~It shall receive adequate resources from the State.~~

Section 9

The functions of the Jabmi Tshogdey shall be to:

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- (a) Encourage and promote the integrity, efficiency and responsibility of Jabmis on its rolls;**
- (b) Establish and from time to time amend a code of professional conduct for Jabmis;**
- (c) Establish and administer procedures for enforcement of discipline against Jabmis for violation of said code of professional conduct;**
- (d) Entertain and determine cases of misconduct against Jabmis and to order punishment in such cases;**
- (e) Promote legal education and to lay down standard of such education in consultation with academic institutions.**
- (f) Provide Pro Bono legal aid to an indigent person ~~services~~ in addition to funding support from the State.**
- (g) Facilitate access to Jabmi services across the country.**
- (h) assist the Courts in expediting cases and to ensure just, fair and prompt dispensation of Justice;**
- (i) conduct Jabmi selection examinations;**
- (j) prepare and maintain a roll of Jabmis; and**
- (k) Perform all other functions conferred upon it by or under this Act.**
- (l) Conduct General meeting (s).**

New Subsection (q) under Section 9

Recommend to the National Judicial Commission/ Royal Judicial Council for the appointment of Drangpons from amongst the eminent jurists, except for the appointment of other judicial personnel.
(inserted as subsection 9 (m))

Section 11

- (a) Qualifications for Jabmis to become a member of the Jabmi**

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~~Tshogdey or the Jabmi Thuentshog~~ and disqualification from such membership;

New Subsection under Section 11

Notwithstanding any provisions under this Act, Jabmi Tshogdey shall regulate the practice of law by a lawyer **or a paralegal** who does not possess Certificate of Jabmi and other practitioners who do not possess law degree.(insert as new subsection 11 (e))

Section 14

There may ~~shall be the~~ Jabmi Thuentshogs of ~~Bhutan~~ established in accordance with the relevant ~~this Act laws~~.

Section 15

~~The Jabmi Thuentshog shall be headed by an elected Chairperson who shall also be the Vice President of the Jabmi Tshogdey and serve for a term of Three Years.~~

Section 16

~~The Jabmi Thuentshog shall be composed of the Jabmis, who have been enrolled on the roll maintained by the Jabmi Tshogdey.~~

Section 17

~~The executive body of the Jabmi Thuentshog shall be elected by its members and exercise its functions without interference.~~

Section 18

~~The functions of the Jabmi Thuentshog shall be to:~~

- ~~(a) Assist the Courts in expediting the cases and to ensure just, fair and prompt dispensation of Justice;~~
- ~~(b) Uphold the integrity of the Jabmis;~~
- ~~(c) Cooperate with the others to ensure effective and equal access to legal services;~~

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- ~~(d) Encourage and promote the efficiency and responsibility of the Jabmis;~~
- ~~(e) Maintain the records of Jabmis, who have been put on the roll;~~
- ~~(f) Follow the directives of the Jabmi Tshogdey; and~~
- ~~(g) Convene annually a general meeting of the members of the Association.~~

New Section after Section 19

Lawyers who fulfill the criteria to become a Jabmi till the enactment of this Act shall be automatically registered as Jabmis. Upon the enactment of this Act, **except the former drangpons**, the lawyers shall pass the Bar Examinations to qualify as Jabmis.

Section 23

- ~~(e) Be a person not addicted to drugs;~~
- ~~(h) Have undergone the National Legal Course;~~

Section 24

Former Drangpon may practice as Jabmi before the higher court from the court where he or she presided.

Section 25

Any person having selected to the roll of a Jabmi shall take the following Oath or affirmation in Schedule I before the President of Jabmi Tshogdey

New Section after Section 35

A Jabmi may be permitted to advertise for the purpose of providing clients and public appropriate information about the Jabmi and his/her firm with due regard to personal privacy. The following information may be provided in the advertisement:

- (1) Name of the firm,**

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- (2) Address, telephone numbers and email id,**
- (3) Enrollment number with date of enrolment;**
- (4) Professional and academic qualifications and**
- (5) Areas of practice.**

However, a Jabmi shall not provide false or misleading information which may bring the justice system into disrepute.

Section 51

The members of the disciplinary committee shall be appointed from the members of the Jabmi Thuentshog **roll of Jabmis** , one of whom shall be appointed as a Presiding Officer.

Section 52

The Disciplinary Committee shall hold office till the next Annual General Meeting of the Jabmi Thuentshog **Jabmis** provided however, that in the event of a matter before it not being disposed of, such Disciplinary Committee shall continue till such time as the matter is disposed. No new matters shall be placed before it after the expiry of the term for which it was appointed.

New Section after Section 65

~~The Disciplinary Committee decisions on the Jabmis for any breach of Code of Conduct and etiquette shall be reported to the National Judicial Commission.~~

New Chapter 10

Definitions New Section 72

For the purpose of this Act:

- (1) “Jabmi” means a Bhutanese legal counsel who has been licensed to practice including those who have been issued a license prior to the enactment of this Act. A Jabmi shall**

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hold a Bachelor of Laws degree (LL.B.) from a recognized university and shall enroll himself/herself with the Jabmi Tshogdey after passing the bar examinations. A Jabmi shall be entitled to appear:

1.1 In all courts;

1.2 before any tribunal or person legally authorised to take evidence; and

1.3 before any other authority permissible under any other law.

(2) “Paralegal” is a person who is not a Jabmi but provides law services

(3) “Drangpon” is a Judge or Justice of a Royal Court of Justice.

(4) “Former” means retired, resigned or removed.

(5) “Personal Privacy” means condition of being free from being disturbed by other people.

New definition

“Independent Representative” means a reputed and high standing person in the society to be invited by the other members of the Jabmi Tshogdey on consensus.

Annexure 4**Annexure 4: Voting results on deliberation on 23 disputed clauses of Jambhi (Amendment) Bill of Bhutan 2014****Date: 27/05/16****Time: 1:46:22 PM****Voting: Passed: Yes: 60, Abstain: 0, No: 3, Total present: 63****Seats: 107**

Sonam Kinga	Delegate	Yes
Dechen Zangmo	Delegate	Yes
Madan Kumar Chhetri	Delegate	Yes
Yeshey Dorji	Delegate	Yes
Zanglay Drukpa	Delegate	Yes
Nima	Delegate	Yes
Dina Nath Dungyel	Delegate	Yes
Yeshey Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Norbu Wangchuk	Delegate	Yes
Dorji Wangdi	Delegate	No
Rinzin Dorji (Punakha)	Delegate	Yes
Kesang C Dorji	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	Yes
Karma Tenzin	Delegate	Yes
Ritu Raj Chhetri	Delegate	Yes
Jigme Wangchuk	Delegate	Yes
Nidup Zangpo	Delegate	Yes
Jigme Rinzin	Delegate	Yes

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Pema Tenzin	Delegate	Yes
Dophu Dukpa	Delegate	Yes
Pema Drukpa	Delegate	Yes
Dhan Bdr Monger	Delegate	Yes
Karma Tshering	Delegate	Yes
Mengbo Dukpa	Delegate	Yes
Kuenga	Delegate	Yes
Tashi Dorji	Delegate	Yes
Phuntsho Rabten	Delegate	Yes
Sonam Dondup Dorji	Delegate	Yes
Chimi Dorji	Delegate	Yes
Gopal Gurung	Delegate	Yes
Kinga Tshering	Delegate	Yes
Karma Dorji	Delegate	Yes
Pelzang Wangchuk	Delegate	Yes
Rinzin Dorji (P/ling)	Delegate	Yes
Tempa Dorji	Delegate	Yes
Dupthob	Delegate	Yes
Sangay Khandu (Gasa)	Delegate	Yes
Lekey Dorji	Delegate	Yes
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	Yes
Kezang Wangmo	Delegate	Yes
Dorji Choden	Delegate	Yes
Tharchen	Delegate	No
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	Yes
Ugyen Wangdi	Delegate	Yes

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Tashi Phuntsho	Delegate	Yes
Tshering Dorji (Haa)	Delegate	No
Karma Rangdol	Delegate	Yes
Pema Dakpa	Delegate	Yes
Tashi Wangyal	Delegate	Yes
Rinzin Dorje	Delegate	Yes
Tashi Wangmo	Delegate	Yes
Sonam Wangchuk	Delegate	Yes
Kaka Tshering	Delegate	Yes
Nima Gyeltshen	Delegate	Yes
Sonam Dorji	Delegate	Yes
Kamal Bdr Gurung	Delegate	Yes
Sangay Khandu (Samtse)	Delegate	Yes
Kinley Om	Delegate	Yes
Novin Darlami	Delegate	Yes

Annexure 5

Annexure 5: Joint Sitting resolution on deliberation of 12 disputed clauses of the Companies Bill of Bhutan 2014. (30th May 2016)

Preamble

An Act to reform the law on incorporation, registration, conduct, reorganization, winding up and dissolution of companies; to provide for minority interest protection, enabling provision for corporate governance and corporate social responsibility, separation of ownership and management along with robust regulatory body in keeping with good standards of business ethics, securities regulation with an objective of fostering good governance, transparency, vibrant, free and fair market in the economy.

Parliament of the Kingdom of Bhutan hereby enact the Companies Act of Bhutan, 2015 on the Day of the Month of the Fire Male Monkey Year of the Bhutanese Calendar corresponding to the Day of, 2015 as follows:

New section after section 51

The Regulatory Authority shall supervise inter-corporate investments in shares and debentures by adopting regulations.

New section before section 127

The Regulatory Authority shall assume primary responsibility for protection of minority shareholders.

New section after section 132

An independent director has to get shall secure an endorsement of the simple majority of the Annual General Meeting.

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New section after section 161

All companies shall maintain Corporate Social Responsibility fund, which shall be administered by the respective Company Board in line with the regulations issued by the Authority.

New section after section 170

In the event the shareholder is not satisfied with the decision of the Regulatory Authority, then the shareholder may appeal to the Court.

New section after section 263

~~The Regulatory Authority may by adoption of regulation exempt the provisions of Sections 236, 237, 262 and 263.~~

Section 383

~~The office shall be presided over by the Registrar.~~

The Regulatory Authority shall be presided over by a board comprising of seven members from relevant organizations excluding the company registrar who shall be the member secretary. The board may consist of the following representatives:

- a) ~~The Minister~~ Secretary of Ministry of Economic Affairs, Chairman
- b) ~~The Secretary~~, One representative from the Ministry of Finance
- c) ~~Governor of~~ One representative from Royal Monetary Authority
- d) ~~Secretary General, Bhutan Chamber of Commerce and Industry~~
One representative from Corporate sector appointed by the Ministry
- e) One representative from the Royal University of Bhutan
- f) One representative from Professional Bodies including Accounting and Auditing Standards Board of Bhutan, and

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- g) One independent Board Member with accounting, auditing, business or law knowledge.

Section 385

The Authority shall constitute a Dispute Settlement Committee for conducting hearings and issuing of orders against companies and company officials including directors, Chief Executive Officer, principal officers or any other persons on cases of violations not involving imprisonment as penalty, under this law and any other laws prescribing offences related to companies and securities.

The appeal from Dispute Settlement Committee shall lie to the Court for judicial review of the decision.

New Section after section 385

Annual Report

The Authority shall prepare and submit to the Government ~~and the Parliament~~ an Annual Report on its activities during its financial year ~~within four months after the close of its financial year. At the same time,~~ it shall also publish the said report on its website and in such other manner and at such time as the Authority deems fit.

New section before 404

~~The Regulatory Authority shall have the power to mobilize proper financial and human resources for effective administration and exercising its powers and functions.~~

New section before 404

Regulatory Authority shall be vested with following powers and functions:

- (a) the incorporation or registration of Corporate entities and supervision of all corporate entities including listed companies.

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- (b) Issuing directives, rules and Regulations on all matters covered under this Act, and any other related laws in the area of corporate regulation, capital market supervision and securities.
- (c) Advising the government on matter covered under this Act or any law to be enforced by the Regulatory Authority.
- (d) The Regulatory Authority may levy fees in respect of any matter under this Act.
- (e) Making provisions for the resolution of disputes within or between companies in relation to the provisions of this Act or regulations hereunder.
- (f) Making provisions for officials, staff, services and facilities to support the Regulatory Authority.

Annexure 6**Annexure 6: Voting results on Adoption of Companies Bill of Bhutan 2014****Date: 30/05/16****Time: 4:08:47 PM****Voting: Passed: Yes: 64 ,Abstain: 0, No: 0, Total present: 64****Seats: 107**

Sonam Kinga	Delegate	Yes
Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	Yes
Madan Kumar Chhetri	Delegate	Yes
Yeshey Dorji	Delegate	Yes
Zanglay Drukpa	Delegate	Yes
Nima	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Dina Nath Dungyel	Delegate	Yes
Yeshey Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Norbu Wangchuk	Delegate	Yes
Dorji Wangdi	Delegate	Yes
Rinzin Dorji (Punakha)	Delegate	Yes
Kesang C Dorji	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	Yes
Karma Tenzin	Delegate	Yes
Ritu Raj Chhetri	Delegate	Yes
Jigme Wangchuk	Delegate	Yes

Annexure 6

Nidup Zangpo	Delegate	Yes
Jigme Rinzin	Delegate	Yes
Pema Tenzin	Delegate	Yes
Dophu Dukpa	Delegate	Yes
Pema Drukpa	Delegate	Yes
Dhan Bdr Monger	Delegate	Yes
Karma Tshering	Delegate	Yes
Mengbo Dukpa	Delegate	Yes
Kuenga	Delegate	Yes
Tashi Dorji	Delegate	Yes
Phuntsho Rabten	Delegate	Yes
Sonam Dondup Dorji	Delegate	Yes
Chimi Dorji	Delegate	Yes
Gopal Gurung	Delegate	Yes
Dawa Gyeltshen	Delegate	Yes
Kinga Tshering	Delegate	Yes
Karma Dorji	Delegate	Yes
Pelzang Wangchuk	Delegate	Yes
Rinzin Dorji (P/ling)	Delegate	Yes
Tempa Dorji	Delegate	Yes
Dupthob	Delegate	Yes
Sangay Khandu (Gasa)	Delegate	Yes
Lekey Dorji	Delegate	Yes
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	Yes
Kezang Wangmo	Delegate	Yes
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	Yes

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Ugyen Wangdi	Delegate	Yes
Tashi Phuntsho	Delegate	Yes
Tshering Dorji (Haa)	Delegate	Yes
Pema Dakpa	Delegate	Yes
Tashi Wangyal	Delegate	Yes
Rinzin Dorje	Delegate	Yes
Tashi Wangmo	Delegate	Yes
Sonam Wangchuk	Delegate	Yes
Kaka Tshering	Delegate	Yes
Nima Gyeltshen	Delegate	Yes
Sonam Dorji	Delegate	Yes
Kamal Bdr Gurung	Delegate	Yes
Sangay Khandu (Samtse)	Delegate	Yes
Kinley Om	Delegate	Yes
Novin Darlami	Delegate	Yes

Annexure 7

Annexure 7: Royal Kasho for the Joint Sitting of Parliament

The Royal Assent is hereby granted on the submission for the deliberation on the four Performance Audit Reports, State of the Nation Report by the Prime Minister and Redeliberation on the Paro Dzongkhag Thromde in the Joint Sitting of Parliament as per the National Assembly Agenda scheduled in the Month of June.

Granted on the 21st Day of the 3rd Month of the Fire Male Monkey Year.

Druk Gyalpo

Annexure 8

Annexure 8: Customs Bill of Bhutan 2016 as amended and endorsed by the National Assembly of Bhutan as follows:

Preamble

Amended in Dzongkha

New section after 2

The objectives of this Act are:

- (1) Trade facilitation;**
- (2) Revenue collection;**
- (3) Enforcement and preventive;**
- (4) Predictability and transparency;**
- (5) Better service delivery; and**
- (6) Compliance management.**

Section 3

This Act shall repeal Part II – Customs, ~~and the sections applicable to Part II under General Preliminary and General Provision of Sales Tax, Customs and Excise Act of Kingdom of Bhutan 2000 and section 12 to 31 of Sales Tax, Customs and Excise (Amendment) Act of Bhutan, 2012. and its Amendment in 2012.~~

Section 7

Amendment in Dzongkha

Section 8 (2)

The facilitation of international trade by promoting quality services to the taxpayers **with simplification and modernization of customs procedures including e-commerce**

Section 9

The individual roles and responsibilities and ~~uniform~~ specification of **uniforms** of the officials and other administrative functions shall be prescribed in the rules and regulations under this Act.

Section 11

The Department shall provide information to a person;

Annexure 8

- 1) If the Department receives a court order;**
- 2) on approval from competent authority if the information requested is not sensitive and restricted, or does not violate person's privacy.**

Section 12

Any complaint against an officer of the Department shall be made to or inquired into and determined by the Head of the Department.

Section 13

~~Training and capacity building~~

~~The Department shall provide adequate and appropriate training to promote professionalism and improve service delivery.~~

Section 14

No prosecution or suit shall lie against the officers of the Department in respect of its official duties **carried out** ~~done~~ in good faith or intended to be done **in pursuance** ~~pursuant~~ to the ~~provision~~ of this Act.

Section 15

The Department upon authorization of the Ministry **shall** ~~may~~ designate any place as a customs station for clearance of goods or passengers.

Section 16

The Department;

- 1) shall designate any place as customs area within customs station or outside customs station for clearance of goods;**
- 2) may approve a person to own and manage facilities in the designated area.**

Section 17

The concerned authority managing the infrastructure and facility shall provide the custom station with adequate facilities **including**

Annexure 8

but not limited to for office, examination of goods, detention room and storage of goods.

Section 20

Amended in Dzongkha

Section 28

To safeguard the national interest, the government may impose restriction or prohibition on the import or export of goods;

- 1. by order or by notification;**
- 2. in accordance with other laws in force; or**
- 3. in accordance with the international conventions, covenants, treaties, protocols and agreements duly ratified by the Parliament.**

Section 38

Customs duty shall not be levied on conveyance entering **the country**, ~~a customs station carrying passengers or imported goods~~, if such conveyance exit Bhutan within a specified period, as permitted by the Department or by any other laws in force

Section 44

Amended in Dzongkha

Section 45

Amended in Dzongkha

Section 46

Customs duty shall not be levied on goods ~~of Indian origin~~ imported into Bhutan in accordance with the free or preferential trade agreement between ~~Royal Government of Bhutan and other countries. Government of the Republic of India.~~

Section 47(2)

The bilateral **and** ~~or~~ multilateral agreements signed by Royal Government of Bhutan

Annexure 8

Section 48 (1)

Amended in Dzongkha

Section 48 (3)

The bilateral **and or** multilateral agreements signed by Royal Government of Bhutan; or

Section 53

Imported goods shall not be unloaded from a conveyance other than in a designated customs station or area, **if unless**:

Section 61

Goods shall be allowed to be admitted under temporary admissions, if; the good **is**;

- (1) ~~Is~~ imported for a specific purpose; and
- (2) Intended for re-exportation within a specified period and without having undergone any change except normal depreciation.

Section 62 (2)

The goods ~~is~~ **are** for processing, reconditioning or repairs abroad; and

Section 64

The imported and export goods whether dutiable or exempted shall be declared to ~~the~~ Department at the customs station and customs area.

Section 68

The Department shall permit a person to file customs declaration in advance if the goods **are scheduled to** arrive in Bhutan within 30 days from the date of filing the customs declaration.

Section 74

The Department may coordinate with other relevant authorities **for** the joint examination of the goods where applicable.

Annexure 8

Section 75 (3)

No provision under this Act or any other laws is violated.

Section 79

The Department may allow a person to clear the goods under the special procedure for the compliant traders **as prescribed in the Rules and Regulations of this Act.**

Section 85

The owner of the warehouse shall furnish security deposit equal to the value of customs duty of the goods stored in the warehouse **as prescribed in the Rules and Regulations made under this act.**

Section 86

With the permission of the Department, the owner of goods shall have the a **right to**:

Section 90

~~Notwithstanding section 89 of this Act, the Department may permit a person to extend the time period for storage of goods in the warehouse.~~

Section 95

In the event of loss of goods or goods not crossing the designated customs station due to intentional diversion, the owner of the goods in transit shall be liable to pay the customs duty, fines and penalties as prescribed in the international treaty or bilateral, or multilateral agreement between **Bhutan and other countries.** ~~Royal Government of Bhutan and the foreign country.~~

Section 99

~~Where a passenger declares dutiable goods over and above duty free allowance or restricted goods in his/her baggage and in respect of which true declaration is made under this Act, such goods, by request, may be detained for their return on departure from Bhutan.~~

Annexure 8**Section 110**

The Department **may** ~~shall~~ carry out re-assessment and demand customs duty with interest from a person within the period of five years from the date of import, if:

Section 113 (5)

~~Where a person does not pay the dues even after exhausting all efforts made by the Department, which includes issuance of notices and other means of communications, such as telephonic calls, the Department shall, through public media direct such person to report to the Department after obtaining a court order; or~~

Section 114

The Department may restrain ~~the~~ asset and property of the delinquent person after obtaining ~~the~~ a court order.

Section 116

The Department shall adjust the refund against any outstanding liability of duty, fee and charge **of the person.**

Section 117

~~Notwithstanding anything contained in this Act, no refund shall be paid, if the amount of refund is less than an amount as prescribed in the rules and regulations under this Act.~~

Section 125

The Department may inspect, investigate and search a person, goods and premises for enforcement of this Act **as per sections 126 to 132 and 142**

Section 131 to be inserted after section 133

The procedures for conducting **search and detention** with or without warrant shall be as per the provisions of the Civil and Criminal

Annexure 8

Procedure Code of Bhutan.

Section 136

The Department may release any **seized** goods, documents or conveyance seized to the owner, if:

Section 137

Seizure of goods and conveyance shall take place only in the presence of the owner of goods or authorized representative of the owner.

Section 141

~~**Expenses relating to detention or seizure**~~

~~The owner shall pay the expenses incurred for the transport and handling of detained or seized goods.~~

Section 142 (3)

~~Notified that the person has a right to a lawyer at the persons own cost.~~

Section 145 (9)

Misuses a permits or certificates issued under this Act.

Section 146

Amended in Dzongkha

Section 146 (1)

Maintain ~~books of accounts or~~ proper books of accounts;

Section 148

A person who commits the following offense shall be criminal offence and be liable as per Penal Code of Bhutan:

- ~~(1) Import or export of prohibited goods;~~
- (2) Smuggling of prohibited or restricted goods;
- (3) Willful act or omission to pay customs duty;
- ~~(4) Impersonations;~~

Annexure 8

- (5) Forgery of documents related to import and export of goods;
- (6) Obstructions to lawful authorities;
- (7) Deceptive practices; or
- (8) Any other criminal offences not expressly provided.

Section 153

The appellant or the representatives shall have the right to present the case **at a three tier levels.** ~~to the Dispute Settlement Committee, Appeal Committee and Appeal Board.~~

New section after 154

If the appeal is successful, the appellant shall not be liable to pay the penal interest.

Section 155

~~An independent committee shall be established at a three tier levels to review the appeal submitted by a person on the decision passed by the Department.~~ **Three tier levels of Dispute Settlement Committee are Dispute Settlement Committee at Regional Office, Appeal Committee at Head Office and Appeal Board in the Ministry of Finance.**

Section 156

A Dispute Settlement Committee consisting of three members shall be established at the Regional Office, chaired by the Regional Director. The **concerned officer who had passed** ~~passing~~ the decision shall not be a member of the Dispute Settlement Committee.

Section 157

An Appeal Committee consisting of five members and chaired by the ~~Director~~ **Head** of the Department shall be established at the ~~Department~~ **Head Office of the Department.**

Annexure 8

Section 158

An Appeal Board shall be established at the Ministry chaired by the Ministry of Finance, consisting of the following members:

- (1) Two regular member from the Ministry of Finance;
- (2) One regular member from **trade related** Ministry of Economic Affairs;
- (3) One regular member from the **private sector appointed by** Bhutan Chamber of Commerce and Industry; and
- (4) One ad hoc member **appointed by the Board.**

Section 160 to 168

Reduced 45 days to 30 days and reduced 60 days to 45 days.

Section 168

If the Appeal Board fails to pass a decision within ~~60~~ **45** days or the appellant is not satisfied with the decision of the Appeal Board, the person may appeal to the Court of Law ~~within 45 days.~~

Section 173

The Department may hand over the confiscated goods to the relevant authorities if the confiscated goods **are** is:

- (1) Restricted and prohibited ~~goods~~; and
- (2) Dangerous and hazardous ~~goods~~.

Section 174

The Department shall dispose ~~off~~ of the confiscated goods which are not restricted or prohibited through public auction or tender in accordance with the Procurement Rules and Regulations after completing the administrative formalities under this Act.

Section 175

The Department shall dispose ~~off~~ of the perishable goods and live animals expediently.

Annexure 8

Section 176

The Department may form a committee to dispose ~~off~~ of the prohibited, dangerous or hazardous goods in absence of any relevant authorities to take over.

Sub heading of section 178

Agreement with ~~foreign~~ other countries

Section 178(2)

Customs unions; and

Section 180

Other relevant stakeholders shall assist the Department in the implementation of this Act.

Section 182

~~Imported or export goods shall be unloaded or loaded or cleared from customs station or customs area or warehouse on a public holiday or beyond the working hours on the weekdays only upon giving prior notice to the Department.~~

Section 183

~~The importer, exporter or the authorized agent shall pay overtime fees to the Department for the services rendered under section 182 of this Act.~~

Section 184

~~The section 182 and 183 of this Act shall not apply to baggage carried by a passenger or crew members.~~

Section 187

The Ministry in accordance with this Act shall frame rules and regulations for the effective implementation of this Act.

Annexure 8

New section after section 190 (18)

“Days” means working days

Section 190(32)

“Person In-charge” means in relation to aircraft, **or other conveyances**, commander or pilot in-charge of aircraft, ~~or in case of other conveyance~~, driver or any other individual having control over conveyance.

Section 190 (36)

~~**“Re-exportations”** means exportation of goods from a country, which has been previously imported.~~

Section 190 (37)

~~**“Re-importation”** means importation of goods into the country of which have been previously exported.~~

Section 190 (42)

“Seizure” means to take into custody, physically or otherwise, goods in respect of which some offence has been committed or believed to have been committed under this Act ~~or rules~~.

Section 190 (44)

“Store” means goods for use in an aircraft for consumption by or for sale to the passenger and includes fuel and lubricants. ~~but excluding spare parts and equipment.~~

New section 190 (48)

“Warehouse” means facilities or area for storage of goods for import or export designated by the authority, owned and operated either by authority or licensed private entity.

Annexure 9**Annexure 9: Voting results on the Custom Bill of Bhutan, 2015****Date: 07/06/2016****Time: 12:26:38 PM Voting: Passed: Yes: 38 ,Abstain: 0 ,No:1,****Total present: 39****Seats: 107**

Dechen Zangmo	Delegate	Yes
Madan Kumar Chhetri	Delegate	Yes
Yeshey Dorji	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Dina Nath Dungyel	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Norbu Wangchuk	Delegate	No
Dorji Wangdi	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	Yes
Karma Tenzin	Delegate	Yes
Ritu Raj Chhetri	Delegate	Yes
Nidup Zangpo	Delegate	Yes
Dophu Dukpa	Delegate	Yes
Pema Drukpa	Delegate	Yes
Kuenga	Delegate	Yes
Sonam Dondup Dorji	Delegate	Yes
Gopal Gurung	Delegate	Yes
Dawa Gyeltshen	Delegate	Yes
Tek Bdr Subba	Delegate	Yes
Tandin Wangchuk	Delegate	Yes
Karma Dorji	Delegate	Yes

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Pelzang Wangchuk	Delegate	Yes
Rinzin Dorji (P/ling)	Delegate	Yes
Dupthop	Delegate	Yes
Lekey Dorji	Delegate	Yes
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	Yes
Kezang Wangmo	Delegate	Yes
Dorji Choden	Delegate	Yes
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	Yes
Ugyen Wangdi	Delegate	Yes
Karma Rangdol	Delegate	Yes
Rinzin Dorji	Delegate	Yes
Namgay Dorji	Delegate	Yes
Kinley Om	Delegate	Yes
Novin Darlami	Delegate	Yes

Annexure 10**Annexure 10: Voting results on Opposition Party's Motion to Transfer the entire BOIC fund to BDBCL****Date: 8:6:16****Time: 2:28:38 PM****Voting: Not Passed: Yes: 16, Abstain: 1, No: 28 Total present: 45****Seats: 107**

Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	No
Madan Kumar Chhetri	Delegate	No
Yeshe Dorji	Delegate	No
Zanglay Drukpa	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Yeshe Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Norbu Wangchuk	Delegate	No
Dorji Wangdi	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	No
Karma Tenzin	Delegate	No
Ritu Raj Chhetri	Delegate	No
Nidup Zangpo	Delegate	Yes
Dophu Dukpa	Delegate	No
Pema Drukpa	Delegate	No
Mengo Dukpa	Delegate	No
Kuenga	Delegate	Yes
Sonam Dondup Dorji	Delegate	No
Chimi Dorji	Delegate	No

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Gopal Gurung	Delegate	No
Dawa Gyeltshen	Delegate	No
Tek Bdr Subba	Delegate	Abstain
Tandin Wangchuk	Delegate	No
Kinga Tshering	Delegate	Yes
Karma Dorji	Delegate	No
Pelzang Wangchuk	Delegate	No
Rinzin Dorji (P/ling)	Delegate	No
Dupthop	Delegate	Yes
Lekey Dorji	Delegate	No
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	No
Kezang Wangmo	Delegate	No
Dorji Choden	Delegate	No
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	No
Ugyen Wangdi	Delegate	Yes
Karma Rnagdol	Delegate	Yes
Damcho Dorji	Delegate	No
Rinzin Dorji	Delegate	No
Namgay Dorji	Delegate	No
Kinley Om	Delegate	No
Novin Darlami	Delegate	No

Annexure 11**Annexure 11: Voting results on Opposition Party's Motion to conduct a through review of the performance of BOIC by Economic Development Committee****Date: 08/06/2016 Time: 2:31:02 PM****Voting: Not Passed: Yes: 15 ,Abstain: 0, No: 30 ,Total present: 45****Seats: 107**

Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	No
Madan Kumar Chhetri	Delegate	No
Yeshey Dorji	Delegate	No
Zanglay Drukpa	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Yeshey Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Norbu Wangchuk	Delegate	No
Dorji Wangdi	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	No
Karma Tenzin	Delegate	No
Ritu Raj Chhetri	Delegate	No
Nidup Zangpo	Delegate	Yes
Dophu Dukpa	Delegate	No
Pema Drukpa	Delegate	No
Mengbo Drukpa	Delegate	No
Kuenga	Delegate	No
Sonam Dondup Dorji	Delegate	No

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Chimi Dorji	Delegate	No
Gopal Gurung	Delegate	No
Dawa Gyeltshen	Delegate	No
Tek Bdr Subba	Delegate	No
Tandin Wangchuk	Delegate	No
Kinga Tshering	Delegate	Yes
Karma Dorji	Delegate	No
Pelzang Wangchuk	Delegate	No
Rinzin Dorji (P/ling)	Delegate	No
Dupthop	Delegate	Yes
Lekey Dorji	Delegate	No
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	No
Kezang Wangmo	Delegate	No
Dorji Choden	Delegate	No
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	No
Ugyen Wangdi	Delegate	Yes
Karma Rangdol	Delegate	Yes
Damcho Dorji	Delegate	No
Rinzin Dorji	Delegate	No
Namgay Dorji	Delegate	No
Kinley Om	Delegate	No
Novin Darlami	Delegate	No

Annexure 12**Annexure 12: Voting results on Opposition Party's Motion to Review the Legitimacy of the Establishment of the Agency like BOIC****Date: 8:6:16****Time: 2:29:50 PM****Voting: Not Passed: Yes: 15, Abstain: 0, No: 30, Total present: 45****Seats: 107**

Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	No
Madan Kumar Chhetri	Delegate	No
Yeshe Dorji	Delegate	No
Zanglay Drukpa	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Yeshe Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Norbu Wangchuk	Delegate	No
Dorji Wangdi	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	No
Karma Tenzin	Delegate	No
Ritu Raj Chhetri	Delegate	No
Nidup Zangpo	Delegate	Yes
Dophu Dukpa	Delegate	No
Pema Drukpa	Delegate	No
Mengo Dukpa	Delegate	No
Kuenga	Delegate	No
Sonam Dondup Dorji	Delegate	No

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Chimi Dorji	Delegate	No
Gopal Gurung	Delegate	No
Dawa Gyeltshen	Delegate	No
Tek Bdr Subba	Delegate	No
Tandin Wangchuk	Delegate	No
Kinga Tshering	Delegate	Yes
Karma Dorji	Delegate	No
Pelzang Wangchuk	Delegate	No
Rinzin Dorji (P/ling)	Delegate	No
Dupthop	Delegate	Yes
Lekey Dorji	Delegate	No
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	No
Kezang Wangmo	Delegate	No
Dorji Choden	Delegate	No
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	No
Ugyen Wangdi	Delegate	Yes
Karma Rnagdol	Delegate	Yes
Damcho Dorji	Delegate	No
Rinzin Dorji	Delegate	No
Namgay Dorji	Delegate	No
Kinley Om	Delegate	No
Novin Darlami	Delegate	No

Annexure 13**Annexure 13: Voting results on Supplementary Appropriation Bill 2015-16 and Budget Appropriation Bill FY2016-17****Date: 8:6:16****Time: 10:27:50 PM****Voting: Passed: Yes: 41, Abstain: 0, No: 1, Total present: 42****Seats: 107**

Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	Yes
Madan Kumar Chhetri	Delegate	Yes
Zanglay Drukpa	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Dina Nath Dungyel	Delegate	Yes
Yeshi Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Dorji Wangdi	Delegate	No
Nyeema Sangay Tshempo	Delegate	Yes
Karma Tenzin	Delegate	Yes
Ritu Raj Chhetri	Delegate	Yes
Nidup Zangpo	Delegate	Yes
Dophu Dukpa	Delegate	Yes
Pema Drukpa	Delegate	Yes
Mengo Dukpa	Delegate	Yes
Kuenga	Delegate	Yes
Sonam Dondup Dorji	Delegate	Yes
Chimi Dorji	Delegate	Yes
Gopal Gurung	Delegate	Yes

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Dawa Gyeltshen	Delegate	Yes
Tek Bdr Subba	Delegate	Yes
Tandin Wangchuk	Delegate	Yes
Kinga Tshering	Delegate	Yes
Karma Dorji	Delegate	Yes
Pelzang Wangchuk	Delegate	Yes
Rinzin Dorji (P/ling)	Delegate	Yes
Dupthop	Delegate	Yes
Lekey Dorji	Delegate	Yes
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	Yes
Dorji Choden	Delegate	Yes
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	Yes
Ugyen Wangdi	Delegate	Yes
Damcho Dorji	Delegate	Yes
Rinzin Dorji	Delegate	Yes
Namgay Dorji	Delegate	Yes
Kinley Om	Delegate	Yes
Novin Darlami	Delegate	Yes

Annexure 14**Annexure 14: Voting results on Adoption on Revised Taxes and Levies Bill of Bhutan 2016(Money Bill)****Date: 13:6:16****Time: 10:49:41 AM****Voting: Passed: Yes: 38, Abstain: 3, No: 2, Total present: 43****Seats: 107**

Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	Yes
Madan Kumar Chhetri	Delegate	Yes
Zanglay Drukpa	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Dina Nath Duncyel	Delegate	Yes
Yeshey Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Abstain
Dorji Wangdi	Delegate	No
Nyeema Sangay Tshempo	Delegate	Yes
Karma Tenzin	Delegate	Yes
Ritu Raj Chhetri	Delegate	Yes
Nidup Zangpo	Delegate	No
Dophu Dukpa	Delegate	Yes
Pema Drukpa	Delegate	Yes
Mengbo Dukpa	Delegate	yes
Kuenga	Delegate	Yes
Sonam Dondup Dorji	Delegate	Yes
Chimi Dorji	Delegate	Yes
Gopal Gurung	Delegate	Yes

Annexure 14:

Dawa Gyeltshen	Delegate	Yes
Tek Bdr Subba	Delegate	Yes
Tandin Wangchuk	Delegate	Yes
Kinga Tshering	Delegate	Yes
Karma Dorji	Delegate	Yes
Pelzang Wangchuk	Delegate	Yes
Rinzin Dorji (P/ling)	Delegate	Yes
Dupthop	Delegate	Abstain
Lekey Dorji	Delegate	Yes
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	Yes
Kezang Wangmo	Delegate	Yes
Dorji Choden	Delegate	Yes
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	Yes
Ugyen Wangdi	Delegate	Abstain
Damcho Dorji	Delegate	Yes
Rinzin Dorji	Delegate	Yes
Namgay Dorji	Delegate	Yes
Kinley Om	Delegate	Yes
Novin Darlami	Delegate	Yes

Annexure 15

Annexure 15: Amendment and Adoption of committee Recommendation on Civil Aviation Bill of Bhutan 2015 by Natioanal Assembly

Preamble

Whereas, to provide for the regulation and orderly development of civil aviation in the Kingdom of Bhutan and ensuring highest level of safety and security of civil air operations which covers commercial, non-commercial and any other operations besides military operations, in compliance with international conventions ratified by the ~~government~~ **Parliament**.

Heading of Section 1

Short title, **extent and commencement**

Section 2

The provisions of this Act, and **the rules and** regulations made under this Act, and the provisions of the Convention and its Annexes shall apply to every:

Section 2(2)

Aircraft registered in Bhutan operating whether within or outside ~~Bhutan~~;

Section 2(4)

Foreign registered aircraft operating in Bhutan **or flying over Bhutan**.

New subsection after 2(4)

Military aircraft operating in Bhutan or flying over Bhutan with the approval of the Royal Bhutan Army to ensure safety and security of the civil aviation.

Annexure 15

Section 6

Dzongkha Translation

Section 6(2)

Ensure safety and security of civil aviation in the country comparable to international standard through appropriate policy and **regulations guidelines;**

Section 6(3)

Dzongkha Translation

Section 9 (*insert after section 29 under functions of Board*)

Power to issue ~~Regulations~~ **directives for rules and regulations**

The ~~Minister~~ **Board** is authorized under this Act to issue **directives to the Director General to develop rules and regulations** on matters considered necessary or expedient with reference to specific provisions of this Act and may include ~~Regulations dealing with the~~ following subject matters, among others:

1. Exemptions from compliance with the requirements set forth in this Act in the public interest and safety of aviation;
2. Conditions under which passengers and cargo may be carried by air pursuant to this Act;
3. Inspection and certification of airports, heliports, airstrips, aircraft, and any person or organization certified or licensed under this Act;
4. Prevention of interference with the use or effectiveness of apparatus used in connection with air navigation, and for prohibiting or regulating the use of such apparatus and the display of signs and lights liable to endanger aircraft;
5. Classification and use of airspace, control and use of air routes, prescription of rules **and regulations** of the air, and securing the

Annexure 15

safety, efficiency and regularity of air navigation and the safety of aircraft, persons and property in the air or on the surface;

6. Safety and security aspects, and standards in civil aviation;
7. Admission into the flight ~~cockpit~~ **deck** of persons other than flight crew and authorized inspectors; and
8. Any other matter which the ~~Minister~~ **Board** may deem appropriate to prescribe in **the rules** and regulations for the implementation of any of the provisions of this Act

Section 10(*Insert after section 29 under functions of board*)

Rules and regulations made under section 11 of this Act may prescribe different categories of offences and penalties for contravention thereof or failure to comply therewith, the mode of enforcing such penalties, and the imposition of different penalties in case of a second or subsequent contravention or noncompliance.

Section 11(*Insert after section 29 under functions of board*)

Without limiting the power conferred by section 9 of this Act, the ~~Minister~~ **Board** may ~~make Regulations~~ **issue directives to the Director General to develop rules and regulations** for all or any of the following purposes

1. Aircraft pilots;
2. Flight crewmembers;
3. Air traffic service personnel;
4. Aviation security service personnel;
5. Aircraft maintenance personnel;
6. Air services;
7. Air traffic services;

Annexure 15

8. Aerodromes and aerodrome operators;
9. Navigation ~~installation~~ **service** providers;
10. Aviation training organizations;
11. Aircraft design, manufacture and maintenance organizations;
12. Aeronautical procedures;
13. Aviation security services;
14. Aviation meteorological services;
15. Aviation communications services;

New sub-section after sub-section 15

• **Radio Services**

16. Any persons, services, or things within any of the classes specified in subsections 11 (1) to (15);
17. Such other persons, aircraft, aeronautical products, aviation related services, facilities, and equipment operated in support of the civil aviation system, or classes of such persons, aircraft, aeronautical products, aviation related services, facilities, and equipment operated in support of the civil aviation system, as may, in the interests of safety or security, as specified in the **rules and** regulations; and
18. Any person who is an aviation examiner or medical examiner.ion

Section 14

The parties affected by the order, action or decision of the Minister or the Director General under section 12 or 13 of this Act, shall be ~~eligible for~~ **paid** compensation **or provide substitute** in accordance with the procedure established in the **rules and** regulations or other prevailing laws.

Section 17

Dzongkha translation

Annexure 15

Section 21(1)

Dzongkha translation

Section 21(3)

~~Is not a serving Member of Parliament;~~

Section 21(5)

~~Within the period of three years immediately preceding the date of proposed appointment, —~~ has not been convicted:

Section 22(*Insert under Definition*)

~~For the purposes of Section 21 (4) of this Act, “statutory body “means~~

(1) Any commission established by the Constitution or any other Act; or (2) A body corporate established directly by or under an Act for special purposes specified in that Act.

Section 23

A Member of the Board may be removed, replaced or disqualified to continue as a Member of the Board by the Cabinet ~~at any time even~~ before the completion of his or her tenure, if he or she:

Section 23(3)

~~Is convicted of offence involving dishonesty or fraud/moral turpitude~~

Section 25

If the Member of the Board dies, resigns, gets his/her appointment revoked; or ceases to be Member of the Board, the Minister ~~may~~ **shall** submit a panel of names to take the place of that Member to the Cabinet. ~~and the person so appointed shall hold the office until the expiration of the term of office of the member in whose place he/she was appointed.~~

Annexure 15

Section 27

Dzongkha translation

Section 29

Dzongkha translation

Section 29(1) & (2) & (3)

Dzongkha translation

Section 29(4)

Approve the service rules **and regulations**, policies and procedures for the Authority

Section 29(5) & (6) & (7)

Dzongkha translation

Section 29(8)

Approve ~~Rules developed by the Director General~~, institutional structure, ~~and programmes for the State Safety Programme, National Aviation Security Programme and Projects for the Authority~~ **developed by the Director General** on an annual basis or as and when required;

Section 29 (9) & (11)

Dzongkha translation

New section after section 29

The Board shall approve rules and regulations for effective implementation of this Act.

Section 30

The Board shall elect from its members a Deputy Chairperson at its first ordinary meeting to serve for a period of three years, who shall chair meetings of the Board in the absence of the Chairperson

Annexure 15

Section 35

Members of the Board **including the member secretary** and any other person ~~not being an official of the Authority~~ attending a meeting of the Board may be paid such remuneration or fees or allowances **in the manner** ~~as may be~~ determined by the Government from time to time.

Section 38

Dzongkha translation

Section 42

Dzongkha translation

Section 42(4)

Dzongkha translation

Section 45

The Director General shall be appointed for a ~~minimum~~ **maximum** term of ~~five~~ **three** years, subject to re-appointment for a maximum of one additional term.

Section 46

Dzongkha translation

Section 47(1) & (2)

Dzongkha translation

Section 52

Deleted

Section 53

~~Rules and regulation, enforcement manuals, procedures, orders, directives, circulars and notice.~~

Annexure 15

The Director General ~~shall may develop and issue rules, enforcement manuals, procedures, orders, directives, circulars and notices regarding any matter as per the provisions of rules and regulations under this Act considered as deemed necessary. or expedient for the purpose of this Act upon seeking approval of the Board. except in an emergency situation explained in section 56 and 57 of this Act.~~

Section 54

The ~~rules~~ **provisions referred** to under section 53 of this Act shall prescribe:

Section 55

The Director General shall, base on the rules **and regulations**:

Section 55(3)

~~Review and revise fees and charges and~~ notify **revised fees and charges approved by the board** to the public and service providers and airlines, by a public notice, at least six months before coming into effect; **and**

Section 56

Deleted

Section 58

The Director General shall publish order, enforcement manuals, directives, reports, decisions, rules **and regulations** ~~operating procedures~~ issued under this Act for public information.

Section 59

Deleted

Section 60

Designation and certification of airports

The Director General may, by public notice, designate and certify

Annexure 15

an airport, airstrip or **heliport or Air operator or Air Navigation facilities** fulfilling the requirements as prescribed in the rules and **regulations**.

Section 61(1)

Safety measures and standards in civil aviation prescribed in the **rules and** regulations and in accordance with requirements of the International Civil Aviation Organization; and

Section 62

The Director General shall develop rules **and regulations** based on the ~~regulations and~~ policy guidelines issued by the Minister with respect to the use of the airspace, and air navigation facilities and services.

Section 63

The Director General may, in compliance with the **rules and** regulations, ~~assign by rules,~~ **issue** orders, directives, circulars or notices for the use of the airspace, air navigation facilities and services under such terms, conditions and limitations as **the Director General may** deemed necessary to ensure the safety of aircraft and the efficient utilization of such airspace.

Section 65

Dzongkha translation

Section 68

In performing its functions under the section 64of this Act, the operators or service providers either designated by the Authority or an entity that is duly certified or approved by the Authority shall act in accordance with such rule **and regulations**, order, directive, circular or notice prescribed by the Authority from time to time.

Annexure 15

Section 69

The Director General shall, in the interest of civil aviation safety, make air traffic rules **and regulations** concerning the:

Section 69(1)

Flight of aircraft **including drones, balloons, paragliding and any other flying objects.**

Section 69(5)

rules **and regulations** governing the interception of aircraft; and

Section 70

The Director General shall make rules **and regulations** requiring:

Section 71

The rules and **regulations** under section 70 of this Act shall be made in line with **the provision of standard civil aviation authority, Annex 17 of Chicago convention** of the International Civil Aviation Organization.

Section 73

The Director General shall ensure that cargo, baggage or similar consignment intended for transportation or carriage in a civil aircraft, whether originating or arriving in international flights to or from Bhutan or for flights within Bhutan, comply with the **rules and regulations.**

Section 74

The Authority shall monitor and enforce compliance with relevant provisions of the Convention and the Authority shall be **authorized empowered** to submit variations to the Technical Instructions on

Annexure 15

behalf of Bhutan.

Section 78

Dzongkha translation

Section 81

Dzongkha translation

Section 84

Dzongkha translation

Section 85

The Director General shall establish and maintain arecord of:

Section 87

The requirement for documents to be recorded shall be specified in the rules **and regulations**.

Section 91

The Director General shall in accordance with the International Civil Aviation Organisation requirements **and Regulations** prescribe flight rules and regulations, flight paths, altitude restrictions, and operating procedures for the purposes of noise abatement in the vicinity of aerodromes and may make Regulations for the purpose of limiting engine emissions consequential upon the operation of aircraft.

Section 92(3)

Any Air Navigation facility in Bhutan for the purpose of ensuring that those facilities and the Air Navigation Services are carried out in accordance with this Act, **rules and regulations** issued under this Act, and applicable International Civil Aviation Organization Annexes; and

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Section 94

Dzongkha translation

Section 96

The Authority may conduct, in accordance with the rules **and regulations**.

Section 102

The requirements for documents to be recorded shall be ~~specified~~ **prescribed** in rules **and regulations** issued by the Director General.

Section 103(1)

The aircraft is not airworthy or **air operator certificate requirement is not met**;

Section 103(5)

The Air Navigation Service **certification requirements** and standards are not met.

Section 104

The Director General may take such steps as are necessary to detain such aircraft or airmen **based on the rules and regulations**.

Section 106

The Director General may, in situation under section 105 of this Act, give appropriate instructions to the aircraft or take other necessary steps consistent with relevant international law and **rules and regulations** in force to put an end to such violations regarding the interception of civil aircraft.

Section 107

The Director General shall, in accordance with the rules **and**

Annexure 15

regulations approved by the Board, have the power to issue, renew, vary, suspend and revoke a certificate, licence or any other authorisation or aviation document to a person, organisation, aircraft, airport, facility or a service relating to safety or security in civil aviation.

Section 108

The Director General may, upon fulfilling the requirements prescribed in the rules **and regulations**; validate a certificate, licence or any other authorisation or aviation document issued to a person by the Authority of another State.

Section 109

An application for the issuance or renewal of a certificate, licence or any other authorisation or aviation document shall, upon payment of a fee, be made in writing to the Director General in such form, be completed in such manner, and contain such information as may be prescribed in the rules **and regulations**.

Section 115

Dzongkha translation

Section 116(2)

Dzongkha translation

Section 117(2)

May, within the period prescribed in the rules **and regulations**, after being notified of such decision and upon payment of a fee as prescribed in the regulations, lodge an appeal to the Board.

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Section 118

The filing of an appeal under section 117 (2) of this Act with the Board shall stay the effectiveness of the Director General's decision to vary or suspend, in whole or in part, or renew or revoke the certificate or licence **till the final decision of the board.**

Section 120

Dzongkha translation

Section 126

Except the final report, no part of any report of the Minister relating to any accident or incident investigation shall be admitted as evidence or used in any suit or action for damages arising out of any matter mentioned in such report.

Section 127

A complaint with respect to an action committed or omitted by any person in contravention of any provision of this Act or its **rules and** regulations for investigation and appropriate action may be:

Section 129

The Director General shall, ~~in an emergency situation~~ after investigations on a complaint filed by the person or initiated by the Director General and has established that there has been violation of the provisions of this Act or its regulations, require a person in default to take corrective action to comply with, and prevent further violation of, the provisions of this Act and its **rules and** regulations.

Section 130

If the Director General finds, after having required the person in default to take corrective action under section 129 of this Act, such person has failed to take corrective action to comply with the

Annexure 15

provisions of this Act, the Director General shall, consistent with the provisions of this Act and its **rules and** regulations, impose appropriate penalty or refer such violations to the court of law.

Section 134

A person who contravenes sections 131, 132 or 133 of this Act commits an offence and, upon conviction, be liable for penalty prescribed in the **rules and** regulations under this Act or the Penal laws Code of Bhutan.

Section 135

Where the offences under this Act have been committed by any Agency of the Government or any of its undertakings, the Head of the Agency or its undertakings shall be deemed to be guilty of an offence and shall be liable to be prosecuted against and punished accordingly based on provisions of the **rules and** regulations and Penal Code **of Bhutan**.

Section 136

Notwithstanding anything contained in section 135 of this Act where an offence under this Act has been committed by any Agency of the Government or its undertakings and it is established that the offence has been committed with the consent or connivance of or is attributable to any neglect on the part of an officer other than the Head of the Agency or its undertakings such officer shall also be deemed to be guilty of that offence and shall be liable ~~be liable~~ for penalty prescribed in the **rules and** regulations under this Act or the Penal laws **Code** of Bhutan.

Section 137

A person who displays or causes to be displayed on any aircraft any

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marks that are false or misleading as to the nationality or registration of the aircraft, commits an offence and, upon conviction, shall be liable for penalty prescribed in the **rules and** regulations under this Act or the Penal ~~laws~~ **Code** of Bhutan.

Section 138

A person commits an offence and, upon conviction, shall be liable to a penalty prescribed in the **rules and** regulations under this Act or the Penal ~~laws~~ **Code** of Bhutan if the person, intentionally and willfully:

Section 139

A person commits an offence and, upon conviction, shall be liable to a penalty prescribed in the **rules and** regulations under this Act or the Penal ~~laws~~ **Code** of Bhutan, if the person intentionally and willfully, while on board an aircraft:

Section 140

A person who intentionally and willfully interferes or attempts to interfere with any operation of the aircraft commits an offence and, upon conviction, shall be liable to a penalty prescribed in the **rules and** regulations under this Act or the Penal ~~laws~~ **Code** of Bhutan.

Section 141

Any person who intentionally and willfully, and without authority removes, conceals or withholds, or attempts to remove, conceal or withhold any part of a civil aircraft involved in an accident, or any property which was on board such aircraft at the time of the accident, commits an offence and, upon conviction, shall be liable to a penalty prescribed in the **rules and** regulations under this Act or the Penal ~~laws~~ **Code** of Bhutan.

Annexure 15**Section 142**

A person who commits or attempts to commit aircraft piracy, either while the aircraft is in flight or not in flight within the special aircraft jurisdiction of Bhutan, commits an offence and, upon conviction, shall be liable to a penalty prescribed in the **rules and** regulations under this Act or the Penal ~~laws~~ **Code** of Bhutan.

Section 143

A person commits an offence and shall be liable to a penalty prescribed in the **rules and** regulations under this Act or the Penal ~~laws~~ **Code** of Bhutan if the person intentionally and willfully:

Section 144

A person commits an offence and, upon conviction, shall be liable to a penalty prescribed in the **rules and** regulations under this Act or the Penal ~~laws~~ **Code** of Bhutan if the person refuses, for purposes of inspection or investigation under this Act, to:

Section 145

A person who intentionally and wilfully imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made in contravention of this Act, commits an offence and, upon conviction, shall be liable to a fine prescribed in the regulations or to a penalty prescribed in the **rules and** regulations under this Act or the Penal ~~laws~~ **Code** of Bhutan.

Section 146

An air operator, approved training organisation, approved maintenance organisation or any other person or organization involved in civil aviation activities commits an offence and, upon

Annexure 15

conviction, shall be liable to a penalty prescribed in the **rules and regulations** under this Act or the Penal ~~laws~~ **Code** of Bhutan or fine prescribed in the **rules and** regulations or to a penalty prescribed by the Penal ~~laws~~ **Code** of Bhutan, the air operator, approved training organisation, approved maintenance organisation or any other person or organization involved in civil aviation activities intentionally and wilfully fails or refuses to:

Section 147

An aircraft flying above the territory of Bhutan without authorisation or used for purposes inconsistent with the safety and security of civil aviation or of the public, commits an offence and, upon conviction, shall be liable to a penalty prescribed in the **rules and** regulations under this Act or the Penal ~~laws~~ **Code** of Bhutan.

Section 148

The Director General shall have the power to assess violations of the Act and impose civil penalties as prescribed in the **rule and** regulations for such violations, or refer such violations to the court of law.

Section 150

A person who contravenes any provision of this Act or its **rules and** regulations not covered in this chapter, commits an offence and, upon conviction, shall be liable to a penalty prescribed in the **rules and** regulations and Enforcement Manual developed and issued under this Act or the Penal ~~laws~~ **Code** of Bhutan.

Section 151

A person affected by this Act shall observe and comply with any **rules and regulations**, orders, directives, circulars, notices, ~~regulation~~, licence or certificate issued under this Act.

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Section 152

The Director General may by notice and upon approval by the Minister in writing exempt any person, aircraft, airport, facility or service from any provision of this Act or its **of rules** and regulations, where the Director General and the Minister are satisfied that the exemption is in the public interest and is not likely to affect the safety of aviation after thorough risk assessment of the proposed exemption.

Section 158

The Dzongkha text shall be the authoritative text, if there exists any difference in meaning between the Dzongkha and English text.

Section 159(4)

“Aircraft” means any machine that can derive support in the atmosphere from the reactions of the air other than the reactions of the air against the earth’s surface **including drones, balloons, paragliding and any other flying object** and refers to civil aircraft only, and does not include state or public aircraft;

Section 159(45)

“International commercial air transport” means the carriage by aircraft of persons or property for remuneration or hire or the carriage of mail ~~between any~~, **and that passes through the airspace over the territory of more than one state;**

Section 159(49)

“Minister” means Minister ~~for the time being~~ responsible for matters relating to civil aviation;

Section 159(62)

“rules and regulations” means ordinary **rules and** regulations

Annexure 15

issued by the ~~Minister~~ **Board**.

New definition

“Air Navigation Services” means the Air Traffic Services, the communication, Navigation and Surveillance Services, the Meteorological Services for Air Navigation, and Aeronautical Information Services.

New definition

“Air Navigation Service provider” means an organization responsible and authorized to provide air navigation services

New definition

“Air Traffic Service” means a generic term meaning various flight information service, alerting service, air traffic advisory service, area control service, approach control service or aerodrome control service.

New definition

“Flight Deck” means compartment containing the instruments and controls used by the pilot, copilot, and flight engineer to operate the aircraft.

Annexure 16**Annexure 16: Voting results on Adoption of the Civil Aviation Bill of Bhutan 2015****Date: 21:6:16****Time: 12:25:25 PM****Voting: Passed: Yes: 40, Abstain: 1, No: 0 Total present: 41****Seats: 107**

Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	Yes
Madan Kumar Chhetri	Delegate	Yes
Zanglay Drukpa	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Dina Nath Dungyel	Delegate	Yes
Yeshey Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Norbu Wangchuk	Delegate	Yes
Dorji Wangdi	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	Yes
Karma Tenzin	Delegate	Yes
Ritu Raj Chhetri	Delegate	Yes
Nidup Zangpo	Delegate	yes
Dophu Dukpa	Delegate	Yes
Pema Drukpa	Delegate	Yes
Kuenga	Delegate	Yes
Sonam Dondup Dorji	Delegate	Yes
Chimi Dorji	Delegate	Yes
Gopal Gurung	Delegate	Yes

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Dawa Gyeltshen	Delegate	Yes
Tek Bdr Subba	Delegate	Yes
Tandin Wangchuk	Delegate	Yes
Kinga Tshering	Delegate	Yes
Karma Dorji	Delegate	Yes
Rinzin Dorji (P/ling)	Delegate	Yes
Dupthop	Delegate	Yes
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	Yes
Kezang Wangmo	Delegate	Yes
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	Yes
Ugyen Wangdi	Delegate	Yes
Karma Rnagdol	Delegate	Abstain
Damcho Dorji	Delegate	Yes
Rinzin Dorji	Delegate	Yes
Namgay Dorji	Delegate	Yes
Kinley Om	Delegate	Yes
Novin Darlami	Delegate	Yes

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Annexure 17: Voting Results on Opposition Party's Motion of Enrollment of all Children in Classes VII and above be made Mandatory in Central Schools

Date: 20/06/2016 Time: 3:11:10 PM

Voting: Not Passed: Yes: 14, Abstain: 0, No: 26, Total present: 40

Seats: 107

Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	No
Madan Kumar Chhetri	Delegate	No
Zanglay Drukpa	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Dina Nath Dungyel	Delegate	No
Yeshey Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Norbu Wangchuk	Delegate	No
Dorji Wangdi	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	No
Karma Tenzin	Delegate	No
Ritu Raj Chhetri	Delegate	No
Nidup Zangpo	Delegate	Yes
Dophu Dukpa	Delegate	No
Pema Drukpa	Delegate	No
Kuenga	Delegate	No
Sonam Dondup Dorji	Delegate	No
Gopal Gurung	Delegate	No

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Dawa Gyeltshen	Delegate	No
Tek Bdr Subba	Delegate	No
Tandin Wangchuk	Delegate	No
Kinga Tshering	Delegate	Yes
Karma Dorji	Delegate	No
Rinzin Dorji (P/ling)	Delegate	No
Dupthop	Delegate	Yes
Lekey Dorji	Delegate	No
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	No
Kezang Wangmo	Delegate	No
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	No
Karma Rangdol	Delegate	Yes
Damcho Dorji	Delegate	No
Rinzin Dorji	Delegate	No
Namgay Dorji	Delegate	No
Kinley Om	Delegate	No
Novin Darlami	Delegate	No

Annexure 18**Annexure 18: Voting Results on Opposition Party's Motion to Retain all the schools in Rural Areas as it is.****Date: 20/06/2016 Time: 3:12:36 PM****Voting: Not Passed: Yes: 14, Abstain: 0, No: 26, Total present: 40****Seats: 107**

Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	No
Madan Kumar Chhetri	Delegate	No
Zanglay Drukpa	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Dina Nath Dungyel	Delegate	No
Yeshey Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Norbu Wangchuk	Delegate	No
Dorji Wangdi	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	No
Karma Tenzin	Delegate	No
Ritu Raj Chhetri	Delegate	No
Nidup Zangpo	Delegate	Yes
Dophu Dukpa	Delegate	No
Pema Drukpa	Delegate	No
Kuenga	Delegate	No
Sonam Dondup Dorji	Delegate	No
Gopal Gurung	Delegate	No
Dawa Gyeltshen	Delegate	No

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Tek Bdr Subba	Delegate	No
Tandin Wangchuk	Delegate	No
Kinga Tshering	Delegate	Yes
Karma Dorji	Delegate	No
Rinzin Dorji (P/ling)	Delegate	No
Dupthop	Delegate	Yes
Lekey Dorji	Delegate	No
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	No
Kezang Wangmo	Delegate	No
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	No
Karma Rangdol	Delegate	Yes
Damcho Dorji	Delegate	No
Rinzin Dorji	Delegate	No
Namgay Dorji	Delegate	No
Kinley Om	Delegate	No
Novin Darlami	Delegate	No

Annexure 19**Annexure 19: Voting Results on Opposition Party's Motion to Remove the 5Km radius Criteria for Admission in the Central Schools****Date: 20/06/2016 Time: 3:13:40 PM****Voting: Not Passed: Yes: 15, Abstain: 0, No: 25, Total present: 40****Seats: 107**

Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	No
Madan Kumar Chhetri	Delegate	No
Zanglay Drukpa	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Dina Nath Dungyel	Delegate	No
Yeshey Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Norbu Wangchuk	Delegate	No
Dorji Wangdi	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	No
Karma Tenzin	Delegate	No
Ritu Raj Chhetri	Delegate	No
Nidup Zangpo	Delegate	Yes
Dophu Dukpa	Delegate	No
Pema Drukpa	Delegate	No
Kuenga	Delegate	No
Sonam Dondup Dorji	Delegate	No
Gopal Gurung	Delegate	No

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Dawa Gyeltshen	Delegate	No
Tek Bdr Subba	Delegate	No
Tandin Wangchuk	Delegate	No
Kinga Tshering	Delegate	Yes
Karma Dorji	Delegate	No
Rinzin Dorji (P/ling)	Delegate	No
Dupthop	Delegate	Yes
Lekey Dorji	Delegate	No
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	No
Kezang Wangmo	Delegate	No
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	No
Karma Rangdol	Delegate	Yes
Damcho Dorji	Delegate	No
Rinzin Dorji	Delegate	No
Namgay Dorji	Delegate	No
Kinley Om	Delegate	Yes
Novin Darlami	Delegate	No

Annexure 20**Annexure 20: Voting results on Ratification of Motor Vehicle Agreement for Regulation of Passenger, Personal and Cargo Vehiculer and Traffic Between Bangladesh, Bhutan, India and Nepal (BBIN)****Date: 21:6:16 Time: 2:16:37 PM****Voting: Passed: Yes: 28, Abstain: 3, No: 10, Total present: 41****Seats: 107**

Dechen Zangmo	Delegate	No
Tshering Tobgay	Delegate	Yes
Madan Kumar Chhetri	Delegate	Yes
Zanglay Drukpa	Delegate	Abstain
Khandu Wangchuk	Delegate	No
Dina Nath Dungyel	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	No
Pema Gyamtsho	Delegate	No
Norbu Wangchuk	Delegate	Yes
Dorji Wangdi	Delegate	No
Nyeema Sangay Tshempo	Delegate	Yes
Karma Tenzin	Delegate	Yes
Ritu Raj Chhetri	Delegate	Yes
Nidup Zangpo	Delegate	No
Dophu Dukpa	Delegate	Yes
Pema Drukpa	Delegate	Yes
Kuenga	Delegate	Yes
Sonam Dondup Dorji	Delegate	Yes
Chimi Dorji	Delegate	Yes
Gopal Gurung	Delegate	Yes

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Dawa Gyeltshen	Delegate	Yes
Tek Bdr Subba	Delegate	Yes
Tandin Wangchuk	Delegate	Yes
Kinga Tshering	Delegate	No
Karma Dorji	Delegate	Yes
Rinzin Dorji (P/ling)	Delegate	Yes
Dupthop	Delegate	No
Lekey Dorji	Delegate	Yes
Choida Jamtsho	Delegate	No
Yogesh Tamang	Delegate	Yes
Kezang Wangmo	Delegate	Yes
Rinzin Jamtsho	Delegate	No
Tshewang Jurmi	Delegate	Yes
Ugyen Wangdi	Delegate	Abstain
Karma Rnagdol	Delegate	Abstain
Damcho Dorji	Delegate	Yes
Rinzin Dorji	Delegate	Yes
Namgay Dorji	Delegate	Yes
Kinley Om	Delegate	Yes
Novin Darlami	Delegate	Yes

Annexure 21**Annexure 21: Voting Results on Raise of PIT Ceiling for Nu. 2 million and above to 30%****Date: 22/06/2016 Time: 2:32:01 PM****Voting: Not Passed: Yes: 15, Abstain: 0, No: 24, Total present: 39****Seats: 107**

Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	No
Madan Kumar Chhetri	Delegate	No
Zanglay Drukpa	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Dina Nath Dungyel	Delegate	No
Yeshey Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Dorji Wangdi	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	No
Karma Tenzin	Delegate	No
Ritu Raj Chhetri	Delegate	No
Nidup Zangpo	Delegate	Yes
Dophu Dukpa	Delegate	No
Pema Drukpa	Delegate	No
Kuenga	Delegate	No
Sonam Dondup Dorji	Delegate	No
Gopal Gurung	Delegate	No
Dawa Gyeltshen	Delegate	No
Tek Bdr Subba	Delegate	No
Kinga Tshering	Delegate	Yes

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Karma Dorji	Delegate	No
Rinzin Dorji (P/ling)	Delegate	No
Dupthop	Delegate	Yes
Lekey Dorji	Delegate	No
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	No
Kezang Wangmo	Delegate	No
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	No
Ugyen Wangdi	Delegate	Yes
Karma Rangdol	Delegate	Yes
Damcho Dorji	Delegate	No
Rinzin Dorji	Delegate	No
Namgay Dorji	Delegate	No
Kinley Om	Delegate	No
Novin Darlami	Delegate	No

Annexure 22**Annexure 22: Voting Results on Increase of Exemption of PIT on Expenses of Children in Govt. Schools without Receipt from Nu 5000 to 15000****Date: 22/06/2016 Time: 2:33:22 PM****Voting: Not Passed: Yes: 16, Abstain: 0, No: 23, Total present: 39****Seats: 107**

Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	No
Madan Kumar Chhetri	Delegate	No
Zanglay Drukpa	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Dina Nath Dungyel	Delegate	No
Yeshey Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Dorji Wangdi	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	No
Karma Tenzin	Delegate	No
Ritu Raj Chhetri	Delegate	No
Nidup Zangpo	Delegate	Yes
Dophu Dukpa	Delegate	No
Pema Drukpa	Delegate	No
Kuenga	Delegate	No
Sonam Dondup Dorji	Delegate	No
Gopal Gurung	Delegate	No
Dawa Gyeltshen	Delegate	No
Tek Bdr Subba	Delegate	Yes

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Kinga Tshering	Delegate	Yes
Karma Dorji	Delegate	No
Rinzin Dorji (P/ling)	Delegate	No
Dupthop	Delegate	Yes
Lekey Dorji	Delegate	No
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	No
Kezang Wangmo	Delegate	No
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	No
Ugyen Wangdi	Delegate	Yes
Karma Rangdol	Delegate	Yes
Damcho Dorji	Delegate	No
Rinzin Dorji	Delegate	No
Namgay Dorji	Delegate	No
Kinley Om	Delegate	No
Novin Darlami	Delegate	No

Annexure 23**Annexure 23: Voting Results on Imposition of Tax based on Average Seiling price instead of Export Floor Price on Mines and Minerals****Date: 22/06/2016 Time: 2:43:02 PM****Voting: Not Passed: Yes: 8, Abstain: 5, No: 26, Total present: 39****Seats: 107**

Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	No
Madan Kumar Chhetri	Delegate	No
Zanglay Drukpa	Delegate	No
Khandu Wangchuk	Delegate	No
Dina Nath Dungyel	Delegate	No
Yeshey Zimba	Delegate	Abstain
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Abstain
Dorji Wangdi	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	No
Karma Tenzin	Delegate	No
Ritu Raj Chhetri	Delegate	No
Nidup Zangpo	Delegate	Yes
Dophu Dukpa	Delegate	No
Pema Drukpa	Delegate	No
Kuenga	Delegate	No
Sonam Dondup Dorji	Delegate	No
Gopal Gurung	Delegate	No
Dawa Gyeltshen	Delegate	No
Tek Bdr Subba	Delegate	No

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Kinga Tshering	Delegate	No
Karma Dorji	Delegate	No
Rinzin Dorji (P/ling)	Delegate	No
Dupthop	Delegate	No
Lekey Dorji	Delegate	No
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	No
Kezang Wangmo	Delegate	Abstain
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	Abstain
Ugyen Wangdi	Delegate	Abstain
Karma Rangdol	Delegate	Yes
Damcho Dorji	Delegate	No
Rinzin Dorji	Delegate	No
Namgay Dorji	Delegate	No
Kinley Om	Delegate	No
Novin Darlami	Delegate	No

Annexure 24**Annexure 24: Voting Results on whether to vote on the already passed Supplementary Budget (2015-16) during the passing of the Annual Budget (2016-17)****Date: 23/06/2016 Time: 11:30:07 AM****Voting: Not Passed: Yes: 14, Abstain: 1, No: 25, Total present: 40****Seats: 107**

Dechen Zangmo	Delegate	Yes
Tshering Tobgay	Delegate	No
Madan Kumar Chhetri	Delegate	No
Zanglay Drukpa	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Dina Nath Dungyel	Delegate	No
Yeshey Zimba	Delegate	Yes
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Yes
Pema Gyamtsho	Delegate	Yes
Norbu Wangchuk	Delegate	No
Dorji Wangdi	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	No
Karma Tenzin	Delegate	No
Ritu Raj Chhetri	Delegate	No
Nidup Zangpo	Delegate	Yes
Dophu Dukpa	Delegate	No
Pema Drukpa	Delegate	No
Kuenga	Delegate	No
Sonam Dondup Dorji	Delegate	No
Gopal Gurung	Delegate	No

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Dawa Gyeltshen	Delegate	No
Tek Bdr Subba	Delegate	No
Tandin Wangchuk	Delegate	No
Kinga Tshering	Delegate	Abstain
Karma Dorji	Delegate	No
Rinzin Dorji (P/ling)	Delegate	No
Dupthop	Delegate	Yes
Lekey Dorji	Delegate	No
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	No
Kezang Wangmo	Delegate	No
Rinzin Jamtsho	Delegate	Yes
Tshewang Jurmi	Delegate	No
Ugyen Wangdi	Delegate	Yes
Karma Rangdol	Delegate	Yes
Damcho Dorji	Delegate	No
Rinzin Dorji	Delegate	No
Namgay Dorji	Delegate	No
Kinley Om	Delegate	No
Novin Darlami	Delegate	No

Annexure 25**Annexure 25: Voting Results on Adoption of the Recommendations of PAC****Date: 01/07/16 Time: 10:29:41 AM****Voting: Passed: Yes: 49, Abstain: 9, No: 10, Total present: 68
Seats: 107**

Sonam Kinga	Delegate	Abstain
Dechen Zangmo	Delegate	Abstain
Tshering Tobgay	Delegate	Yes
Madan Kumar Chhetri	Delegate	Yes
Yeshey Dorji	Delegate	No
Zanglay Drukpa	Delegate	Abstain
Nima	Delegate	Yes
Khandu Wangchuk	Delegate	Abstain
Dina Nath Dungyel	Delegate	Yes
Yeshey Zimba	Delegate	No
Wangdi Norbu	Delegate	No
Jigme Wangchuk (Radhi)	Delegate	No
Pema Gyamtsho	Delegate	Abstain
Norbu Wangchuk	Delegate	Abstain
Dorji Wangdi	Delegate	No
Rinzin Dorji (Punakha)	Delegate	Yes
Kesang C Dorji	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	Yes
Karma Tenzin	Delegate	Yes
Ritu Raj Chhetri	Delegate	Yes
Jigme Wangchuk	Delegate	Yes
Nidup Zangpo	Delegate	Abstain

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Jigme Rinzin	Delegate	Yes
Pema Tenzin	Delegate	Yes
Dophu Dukpa	Delegate	Yes
Pema Drukpa	Delegate	Yes
Dhan Bdr Monger	Delegate	Yes
Karma Tshering	Delegate	Yes
Mengbo Dukpa	Delegate	Yes
Kuenga	Delegate	Yes
Tashi Dorji	Delegate	Yes
Phuntsho Rabten	Delegate	Yes
Sonam Dondup Dorji	Delegate	Yes
Chimi Dorji	Delegate	Yes
Gopal Gurung	Delegate	Yes
Dawa Gyeltshen	Delegate	No
Tek Bdr Subba	Delegate	Yes
Tandin Wangchuk	Delegate	Yes
Karma Dorji	Delegate	Yes
Pelzang Wangchuk	Delegate	Yes
Rinzin Dorji (P/ling)	Delegate	Yes
Tempa Dorji	Delegate	Abstain
Dupthob	Delegate	Abstain
Sangay Khandu (Gasa)	Delegate	Yes
Lekey Dorji	Delegate	No
Choida Jamtsho	Delegate	Yes
Yogesh Tamang	Delegate	Yes
Kezang Wangmo	Delegate	Yes
Dorji Choden	Delegate	Yes
Rinzin Jamtsho	Delegate	Yes

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Tshewang Jurmi	Delegate	Yes
Ugyen Wangdi	Delegate	Yes
Tashi Phuntsho	Delegate	Yes
Tshering Dorji (Haa)	Delegate	Yes
Karma Rangdol	Delegate	No
Pema Dakpa	Delegate	Yes
Tashi Wangyal	Delegate	Yes
Damcho Dorji	Delegate	Yes
Rinzin Dorje	Delegate	Yes
Tashi Wangmo	Delegate	Yes
Namgay Dorji	Delegate	Yes
Sonam Wangchuk	Delegate	Yes
Kaka Tshering	Delegate	Yes
Sonam Dorji	Delegate	Yes
Kamal Bdr Gurung	Delegate	Yes
Sangay Khandu (Samtse)	Delegate	No
Kinley Om	Delegate	No
Novin Darlami	Delegate	Yes

Annexure 26**Annexure 26: Voting Results on Deferment of Framework Agreement Between Kingdom of Bhutan and European Investment Bank Governing EIB Activities and Kingdom of Bhutan****Date: 01/07/16 Time: 11:46:07 AM****Voting: Passed: Yes: 58, Abstain: 6, No: 3, Total present: 67****Seats: 107**

Sonam Kinga	Delegate	Yes
Dechen Zangmo	Delegate	Yes
Madan Kumar Chhetri	Delegate	Yes
Yeshey Dorji	Delegate	Yes
Zanglay Drukpa	Delegate	Yes
Nima	Delegate	Yes
Khandu Wangchuk	Delegate	Yes
Dina Nath Dungyel	Delegate	Yes
Yeshey Zimba	Delegate	No
Wangdi Norbu	Delegate	Yes
Jigme Wangchuk (Radhi)	Delegate	Abstain
Pema Gyamtsho	Delegate	Abstain
Norbu Wangchuk	Delegate	Yes
Dorji Wangdi	Delegate	No
Rinzin Dorji (Punakha)	Delegate	Yes
Kesang C Dorji	Delegate	Yes
Nyeema Sangay Tshempo	Delegate	Yes
Karma Tenzin	Delegate	Yes
Ritu Raj Chhetri	Delegate	Yes
Jigme Wangchuk	Delegate	Yes

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Nidup Zangpo	Delegate	Yes
Jigme Rinzin	Delegate	Yes
Pema Tenzin	Delegate	Yes
Dophu Dukpa	Delegate	Yes
Pema Drukpa	Delegate	Yes
Dhan Bdr Monger	Delegate	Yes
Karma Tshering	Delegate	Yes
Mengbo Dukpa	Delegate	Yes
Kuenga	Delegate	Yes
Tashi Dorji	Delegate	Yes
Phuntsho Rabten	Delegate	Yes
Sonam Dondup Dorji	Delegate	Yes
Chimi Dorji	Delegate	Yes
Gopal Gurung	Delegate	Yes
Dawa Gyeltshen	Delegate	Yes
Tek Bdr Subba	Delegate	Yes
Tandin Wangchuk	Delegate	Yes
Karma Dorji	Delegate	Yes
Pelzang Wangchuk	Delegate	Yes
Rinzin Dorji (P/ling)	Delegate	Yes
Tempa Dorji	Delegate	Yes
Dupthob	Delegate	Yes
Sangay Khandu (Gasa)	Delegate	Yes
Lekey Dorji	Delegate	Yes
Choida Jamtsho	Delegate	No
Yogesh Tamang	Delegate	Yes
Kezang Wangmo	Delegate	Yes
Dorji Choden	Delegate	Yes

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Rinzin Jamtsho	Delegate	Abstain
Tshewang Jurmi	Delegate	Yes
Ugyen Wangdi	Delegate	Abstain
Tashi Phuntsho	Delegate	Yes
Tshering Dorji (Haa)	Delegate	Abstain
Karma Rangdol	Delegate	Abstain
Pema Dakpa	Delegate	Yes
Tashi Wangyal	Delegate	Yes
Damcho Dorji	Delegate	Yes
Rinzin Dorje	Delegate	Yes
Tashi Wangmo	Delegate	Yes
Namgay Dorji	Delegate	Yes
Sonam Wangchuk	Delegate	Yes
Kaka Tshering	Delegate	Yes
Sonam Dorji	Delegate	Yes
Kamal Bdr Gurung	Delegate	Yes
Sangay Khandu (Samtse)	Delegate	Yes
Kinley Om	Delegate	Yes
Novin Darlami	Delegate	Yes

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Annexure 27: Speech of the Speaker Jigme Zangpo at the Closing Ceremony of the Seventh Session of the Second Parliament of Bhutan on July 7, 2016.

1. The Seventh Session of the Second Parliament will conclude with the offering of prayers in the gracious presence of His Majesty the King on this auspicious day.
2. On behalf of the Parliament and on my own behalf, I would like to welcome and offer gratitude to Your Majesty for gracing the Closing Ceremony of the Seventh Session despite having numerous Royal engagements to attend.
3. I would also like to welcome Her Majesty the Gyaltsuen, Members of the Royal Family, Monastic body, senior Government officials, diplomats and the public to the ceremony.
4. It has been immensely fortunate to witness Their Majesties on the Royal Tour in the east to introduce His Royal Highness the Gyalsey to the people. It was also a remarkable significance for His Highness the Gyalsey's first visit at Dungkhar, Kurtoe, the ancestral home of the Wangchuck Dynasty on the auspicious occasion. The Dungkhar Choeje is a pure descendent through the lineage of Pema Lingpa. And thus, on the auspicious Tenth Day of the Monkey Month, His Majesty personally entered the Gyalsey's Name in an ancient document that bears the names of all the ancestors of the Wangchuck Dynasty which trace back to Pema Lingpa. Moreover, it was extremely fortunate for the entire people of the east for having opportunity to pay tribute and receive the grace of His Highness the Gyalsey.

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Therefore, on behalf of the people of Bhutan, the Parliament of Bhutan would like to express gratitude to Their Majesties and His Highness the Gyalsey from the depth of our hearts.

5. His Holiness the Je Khenpo has presided over numerous kurims and conducted prayers of Tsig Doen Soelde, Goenpo Dhoechog and Sangchoed Tashi Raykong for the peace in the country, averting of natural calamities and the benefit of the sentient beings across the country. The Parliament would like to extend heartfelt gratitude to His Holiness the Je Khenpo for blessing the people and the country.
6. Similarly, under the coordination of Khenpo Karpo and religious supporters, His Eminence Dzongsar Jamyang Khyentse Rinpoche has presided over Rinchen Terzoe Wang, Lung and Thri at Guru Nangsid Zilnoen statue in Takila, Lhuentse to the thousand of devotees. That has benefitted the people from averting the misfortunes of the present and afterlife. The Parliament also would like to express gratitude to His Eminence Khyentse Rinpoche, Khenpo Karpo and sponsors for safe and successful completion of four-month event.
7. The Second Royal Bhutan Flower Exhibition was held at Paro under the patronage of Her Majesty the Queen Mother, Tshering Yangdon Wangchuck. This year's Exhibition was held to commemorate, Her Majesty's Birth Anniversary and the Birth of His Highness, the Gyalsey Jigme Namgyel Wangchuck.

The Exhibition was held with the objective to foster appreciation for pristine and clean environment and encourage horticulture based economy. Therefore, the Parliament would like to thank

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Her Majesty the Queen Mother Tshering Yangdon Wangchuck for her noble initiative.

8. Under the Royal initiative of His Majesty and His Holiness, the Je Khenpo, the people and the Dratshang with the support from the Ministry of Agriculture and Forest planted a large number of saplings across the country. This was to commemorate the Birth of His Highness, the Gyalsey on the Social Forestry Day.

Last year, under the patronage of Her Majesty the Queen Mother Dorji Wangmo Wangchuck, 100 male volunteers had planted 49,672 saplings in one hour at Kuenselphodrang, Thimphu to commemorate the 60th Birth Anniversary of His Majesty the Fourth Druk Gyalpo. This initiative has entered in the Guinness Book of World Records.

Similarly, 100 women volunteers planted an international record high of 49,718 saplings in one hour in and around the Guru statue at Takila, Lhuentse. This initiative will enhance in maintaining a minimum of sixty percent forest cover in the country. The Parliament would like to extend appreciation to the volunteers.

9. The following were adopted in the Joint Sitting of the Seventh Session of the Second Parliament:
 - 5) Jabmi (Amendment) Bill of Bhutan
 - 6) Companies Act of Bhutan
 - 7) Audit Performance Report
 - 8) Paro Dzongkhag Thromde

Moreover, the Parliament has deferred Framework Agreement between the Kingdom of Bhutan and European Investment Bank governing EIB activities in the Kingdom of Bhutan for the Government to review.

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10. The following Bills and Conventions were passed in the National Assembly:

- 5) Customs Bill of Bhutan
- 6) Civil Aviation Bill of Bhutan 2015
- 7) Motor Vehicles Agreement for the Regulation of Passenger, Personal and Cargo Vehicular Traffic between Bangladesh, Bhutan, India and Nepal.

11. The Parliament has adopted a recurrent expenditure of Nu. 25,387.034 million and capital expenditure of Nu. 29,441.194 million, totaling to the Annual Budget of Nu. 54,828.228 for the Financial Year 2016-17. A Supplementary Budget of Nu. 3,403.905 has been adopted for Financial Year 2015-16.

Furthermore, the Personal Income Tax was raised to Nu. 200,000 from Nu.100,000 and annual expenditure for one student was raised to Nu.150,000 from Nu.50,000. Customs tax on the import of medical investigation equipment and library books are exempted. Minimal Royalty for the export of minerals were increased. I am hopeful that the revision would be beneficial to the Government and the people.

12. On July 5, 2016 Hon. Prime Minister presented the Annual Report on the State of the Nation including Legislative Plans and Annual Plans and Priorities of the Government to Druk Gyalpo and to the Joint Sitting of the Parliament. It was presented the Annual Report in line with the Gross National Happiness Survey Report of the Centre for Bhutan Studies within two hours and forty-five minutes:

He expressed that peace and prosperity in the country prevailed because our country is a Bay Yul (blessed land) of Ugyen Guru

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Rinpoche. He submitted that Zhabdrung Ngawang Namgyel has established culture and religion in the country. He expressed gratitude for the hereditary Monarchs for instituting, strengthening security and sovereignty, and bringing peace and harmony for the economic development to the country and people.

He offered appreciation to His Holiness the Je Khenpo and all the religious masters for performing various religious programmes in preserving the Buddha Dharma.

Hon. Prime Minister reported that as per the survey reports of International Monetary Authority and the World Bank, Bhutan's economy is estimated to be growing at 8.4 %. He presented on the Ease of Doing Business, report on low corruption rate, Freedom of Press and status of the nation.

He presented the performance output and future plans of the Ten Ministries, Constitutional Bodies, agencies and corporations. It was reported that the government will support and strengthen decentralization in the form of services like G2C, Gewog Development Fund (GDF) and Dzongkhag Development Fund (DDF) to fulfill the aspirations of the people and the nation on five gems viz. agriculture, hydropower, tourism, small cottage industries and mining.

On behalf of the People and the Government, he thanked the Government of India for providing continued financial aids and grants to Bhutan.

The Prime Minister expressed appreciation to Their Majesties for introducing His Royal Highness the Gyalsey to the general

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public during their Royal Tour to eastern Bhutan. He also thanked His Majesty for granting gracious kidu to the Gyalpo Tozey, disabled and the needy people. He further recalled the aspirations of His Majesty for unity and harmony of the people irrespective of region, religion and political divisions to strengthen and safeguard the sovereignty and independence of the country. Furthermore, His Majesty's decree to enhance the happiness and prosperity of the people, to deepen the root of democracy without corruption, to improve justice in a society and to serve with unwavering faith and loyalty were also highlighted. The Prime Minister concluded with the prayers for long live of Their Majesties and continual peace and prosperity to flourish in the country.

13. On July 4, 2016 His Excellency Hon. Md. Abdul Hamid, the President of People's Republic of Bangladesh addressed the Joint Sitting of the Parliament. He offered gratitude to His Majesty the Fourth Druk Gyalpo Jigme Singye Wangchuck and the Government for kind gesture in according State welcome of his visit. He also expressed his deep gratitude for the wonderful welcome extended during his visits across the country. The President also informed of the delight of the people of Bangladesh on the Royal Birth of His Gyalsey Jigme Namgyel Wangchuck. Prayers for long lives, happiness and prosperity were offered to the Members of the Royal Family.

The President stated that Bangladesh has been watching Bhutan with admiration on the guidance of Their Majesties, as our nascent democracy is marching ahead. He also recalled the seminal

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role of His Majesty Jigme Singye Wangchuck who had played in transforming the monarchy into parliamentary democracy for modern nationhood of our people. This he shared is a rare epitome in the history of democracy.

Bangladesh and Bhutan have shared historically warm and friendly ties. He informed that Bhutan had occupied a special place in the hearts of the people of Bangladesh as Bhutan became the first country to recognize their independence on December 6, 1971. Therefore, the ties between the two nations have grown depth and dimension based on mutual respect.

The President informed that Bangladesh is on the track to become a middle income country by 2021 and further aspire to become developed nation by 2041. As regional connectivity holds a huge potential, the National Assembly of Bhutan has passed BBIN Motor Vehicles Agreement on June 21, 2016. He shared his aspirations that it would go a long way in establishing strong connectivity among the sub-regions.

Recently, Bangladesh has been attacked by terrorist group and caused many deaths. He thanked the people and the Parliament of Bhutan for showing deep condolence to the families and the victims. He stated that Bangladesh would stand firm and face challenge to any outside uprising forces.

Bhutan's pioneering concept of Gross National Happiness is a unique philosophy to meet global challenges which is getting more and more acceptance. He admitted that they would also implement this noble concept to guide them. He affirmed that pursuing the vision of His Majesty the Fourth King, there is no

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doubt that the future generations will live in a world that would be prosperous, more secure, peaceful and more meaningful. Moreover, he declared to forge stronger partnership to work for the welfare and the economic development of our people.

14. The Seventh Session has been very successful. Firstly, it is the through the necessary support rendered to the House by the Local Government, Dzongkhags and Gewogs, Ministries and Departments, Constitutional Bodies and other institutes.

Secondly, the Members of Parliament have worked selflessly. Quality reports were submitted to the House and extensively deliberated. The Members also deliberated through the cohesion of check and balance for the welfare of the people, which could bring fruitful resolution.

Thirdly, it is due to the tireless efforts of the Secretary General and the staffs of the National Assembly. Therefore, I would like to thank the National Assembly Secretariat.

15. With the grace of Triple Gem, due to benevolent guidance of His Majesty the King, collective merits of the people of Bhutan and support from the Members of Parliament, I would like to offer heartfelt gratitude to His Majesty the King and the Members of the Parliament for making this session very successful.
16. Lastly, we would like to offer prayers for the eternity of our country's sovereignty and the institution of Wangchuck dynasty. We would also like to offer prayers for the good health and long life of His Majesty the Druk Gyalpo, His Majesty the Fourth Druk Gyalpo, His Highness the Gyalsey, Her Majesty the Gyaltsuen and the Members of the Royal Family.

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Under the summit of the Golden Throne, we would like to offer prayers for the continued wellbeing of all the religious masters led by His Holiness the Je Khenpo and the people of Bhutan an immense peace and prosperity.

THANK YOU!

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Annexure 28: List of Members Present During the 7th Session of the Second Parliament

1. Hon Speaker Jigme Zangpo, Mongar constituency, Mongar Dzongkhag
2. Hon Prime Minister, Tshering Tobgay, Sombaykha constituency, Haa Dzongkhag
3. Hon Minister for Foreign Affairs Lyonpo Damcho Dorji, Goenkhatoe-Laya constituency, Laya Dzongkhag
4. Hon Minister for Works and Human Settlement, Lyonpo Dorji Choden, Thrimshing constituency, Trashigang Dzongkhag
5. Hon Minister for Education, Lyonpo Mingbo Dukpa, Dewathang-Gomdar constituency, Samdrrupjongkhar Dzongkhag
6. Hon Minister for Labour and Human Resources, Lyonpo Ngeema Sangay Tshempo, Lhamoizingkha-Tashiding constituency, Dagana Dzongkhag
7. Hon Minister for Health, Lyonpo Tandin Wangchuk, AthangThedtsho constituency, Wangdiphodrang Dzongkhag
8. Hon Minister for Communication, Lyonpo Dina Nath Dungyel, Phuentshohgpelri-Samtse constituency, Samtse Dzongkhag
9. Hon Minister for Finance, Lyonpo Namgay Dorji, DraagtengLangthil constituency, Trongsa Dzongkhag
10. Hon Minister for Economic Affairs, Lyonpo Norbu Wangchuk, Kanglung -Udzorong constituency, Trashigang Dzongkhag
11. Hon Minister for Agriculture and Forest, Lyonpo Yeshey Dorji, Maenbi- Tsaenkhar constituency, Lhuntse Dzongkhag
12. Hon Minister for Home & Cultural Affairs, Lyonpo Dawa Gyaltshen, Bongo-Chapcha constituency, Chukha Dzongkhag

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13. Hon Leader of the Opposition Dr. Pema Gyamtsho,
ChhoeckhorTang constituency, Bumthang Dzongkhag
14. Hon Deputy Speaker Chimmi Dorji, Lingmu-Toedwang
Constituency, Punakha Dzongkhag
15. Hon Member Tshewang Jurmi, Chhumig-Ura constituency,
Bumthang Dzongkhag
16. Hon Member Rinzin Dorji, Phuentshogling constituency,
Chhukha Dzongkhag
17. Hon Member Karma Dorji, Drukjeygang-Tseza constitu-
ency, Dagana Dzongkhag
18. Hon Member Pema Drukpa, Khamaed-Lunana constitu-
ency, Gasa Dzongkhag
19. Hon Kinley Om, Bji-Kar-Tshog-Uesu constituency, Haa
Dzongkhag
20. Hon Member Karma Rangdol, Gangzur-Minjei constitu-
ency, Lhuentse Dzongkhag
21. Hon Member Ugyen Wangdi, Dramedtse-Ngatshang con-
stituency, Mongar Dzongkhag
22. Hon Member Rinzin Jamtsho, Kengkhar-Weringla constitu-
ency, Mongar Dzongkhag
23. Hon Member Kezang Wangmo, Dokar-Sharpa constituency,
Paro Dzongkhag
24. Hon Member Khandu Wangchuk, Lamgong-Wangchang
constituency, Paro Dzongkhag
25. Hon Member Zangley Dukpa, Khar-Yurung constituency,
Pemagatshel Dzongkhag
26. Hon Member Choida Jamtsho, Nganglam constituency,
Pemagatshel Dzongkhag

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27. Hon Member Dechen Zangmo, Nanong- Shumar constituency, Pemagatshel Dzongkhag
28. Hon Member Dophu Dukpa, Kabisa-Talog constituency, Punakha Dzongkhag
29. Hon Member Pelzang Wangchuk, Jomotshangkha-Martshala constituency, Samdrupjongkhar Dzongkhag
30. Hon Member Tek Bahadur Subba, Dophuchen-Tading constituency, Samtse Dzongkhag
31. Hon Member Ritu Raj Chhetri, Tashichhoeling constituency, Samtse Dzongkhag
32. Hon Member Madan Kumar Chhetri, Ugyentse-Yoeseltse constituency, Samtse Dzongkhag
33. Hon Member Rinzin Dorji, Shompangkha constituency, Sarpang Dzongkhag
34. Hon Member Gopal Gurung, Gelegphu constituency, Sarpang Dzongkhag
35. Hon Member Kinga Tshering, North Thimphu constituency, Thimphu Dzongkhag
36. Hon Member Yeshey Zimba, South Thimphu constituency, Thimphu Dzongkhag
37. Hon Member Wangdi Norbu, Bartsham-Shongphu constituency, Trashigang Dzongkhag
38. Hon Member Jigme Wangchuk, Radhi- Sagteng, Trashigang Dzongkhag
39. Hon Member Karma Tenzin, Wamrong constituency, Trashigang Dzongkhag
40. Hon Member Dupthob, Boomdeling-Jamkhar constituency, Trashiyangtse Dzongkhag

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41. Hon Member Sonam Dondup Dorjee, Khamdang-Ramjar constituency, Trashiyangtse Dzongkhag
42. Hon Member Nidup Zangpo, Nubi-Tangsibji constituency, Trongsa Dzongkhag
43. Hon Member Yogesh Tamang, Kilkhorthang-Mendrelgang constituency, Tsirang Dzongkhag
44. Hon Member Novin Darlami, Sergithang-Tsirang Toed constituency, Tsirang Dzongkhag
45. Hon Member Kuenga, Nyishog- Saephu constituency, Trongsa Dzongkhag
46. Hon Member Lekey Dorji, Bardo-Trong constituency, Zhemgang Dzongkhag
47. Hon Member Dorji Wangdi, Panbang constituency, Zhemgang Dzongkhag