

**2<sup>ND</sup> PARLIAMENT OF BHUTAN  
9<sup>TH</sup> SESSION**



Resolution No. 9

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

(May 3 - June 20, 2017)

Speaker: Jigme Zangpo



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## **Resolution and Proceedings of the Ninth Session of the Second Parliament**

### **1. Inaugural Ceremony**

The 9<sup>th</sup> Session of the Second Parliament of Bhutan commenced on the auspicious 8<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Fire Female Bird Year corresponding to May 3, 2017. His Majesty the Druk Gyalpo was received in an elaborate Serdrang and Chibdrel ceremony followed by Zhungdrel Phuentsum Tshogpai ceremony.

On behalf of the Members of Parliament and on his own behalf, the Speaker extended his warm welcome to His Majesty the Druk Gyalpo to the Opening Ceremony of the Ninth Session of the Second Parliament. The Speaker also welcomed the Members of the Royal Family, representatives from Central Monastic Body, the Members of Parliament from both the Houses, senior government officials, representatives of the International Community, students from different schools and all other guests who had come to witness the occasion.

The Speaker highlighted the main agenda items to be deliberated in the Joint Sitting and the National Assembly. He said that petitions received from the Local Governments would also be deliberated during the Ninth Session.

The Speaker informed the house that the Asian Parliamentary Assembly (APA) Standing Committee on Social and Cultural Affairs meeting would be held in Bhutan from August 31 to September 2 for three days. The meeting would be hosted by the National Assembly in collaboration with the National Council of Bhutan.

Similarly, the Speaker also informed that South Asian Speakers' Summit on Achieving the Sustainable Development Goals (SDGs) was held in Indore, India. During the meeting, it was decided that every Parliament would dedicate a one-day session to deliberate on the Sustainable Development Goals (SDGs).

On behalf of Parliament, the Speaker offered deepest gratitude to His Majesty the Druk Gyalpo for personally visiting those places affected by natural calamities showing compassion to those affected families and for granting Kidu.

On behalf of Parliament, the Speaker also expressed his gratitude to His Holiness the Je Khenpo, five Lopens and Dratshang for conducting prayers and Kurim for the peace and prosperity in the world.

Likewise, the Speaker offered gratitude to Her Majesty the Gyaltsuen, the patron of Ability Bhutan Society (ABS) for inaugurating the International Conference on Autism and Neuro-developmental Disorders in Thimphu. In addition, he also expressed appreciation to Their Majesties the Queen Mothers, and the Members of the Royal Family for taking various initiatives for the benefit and wellbeing of the country and people. He offered gratitude to Her Majesty the Gyalyum Sangay Choden Wangchuck, the Goodwill Ambassador to UNFPA for meeting our people and students in different Dzongkhags, and creating awareness on health and social related issues.

Upon the invitation of His Majesty the Druk Gyalpo, Bangladesh Prime Minister Sheikh Hasina visited Bhutan on a three-day state visit from 18-20 April, 2017. While in the country, the Bangladesh

Prime Minister signed six Memoranda of Understanding (MOUs) with the Prime Minister of Bhutan. Furthermore, His Majesty the Druk Gyalpo, the Prime Minister of Bhutan and the Prime Minister of Bangladesh attended the groundbreaking ceremony to unveil the plaque of foundation stone for the construction of the Chancery of Bangladesh Embassy. The Speaker informed the House that, this was a historic moments to be cherished in our country. On behalf of Parliament, the Speaker expressed appreciation to the two governments.

Further, on behalf of Parliament, the Speaker conveyed his thanks to the representatives of both regional and international financial institutions for their continued support and aid to the upcoming 12<sup>th</sup> Five Year Plan. Moreover, he also offered gratitude on behalf of Parliament to the students of Bhutan for showing their deep respect and gratitude to His Majesty the Third King, Jigme Dorji Wangchuck, teachers, and to all the elderly people of Bhutan on the occasion of Teacher's Day observed on 2<sup>nd</sup> May. In addition, he expressed his prayers for the successful conclusion of the Ninth Session of Second Parliament under the benevolent leadership of His Majesty the Druk Gyalpo, collective merits of people and the continued support from the Members of Parliament. A copy of the Inaugural Address is annexed in **Annexure I**.

## **2. Resolution of Joint Sitting on the Bhutan Customs Bill 2017**

As per the proceedings of the Parliament, the Secretary General as directed by the Speaker read the Royal Kasho granted for convening the Joint Sitting of Parliament. The Royal Kasho for the Joint Sitting annexed in **Annexure II**.

During the deliberations on the Customs Bill 2016 held on the 9<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Fire Female Bird Year corresponding to May 4, 2017, the two Houses could not reach to a consensus on the five Sections under the Bill. A joint committee was constituted to discuss the five sections of the Bill. The Chairperson of the Joint Committee, Member from Lamgong-Wangchang constituency, submitted the recommendations of the Joint Committee to the Joint Sitting. The Parliament endorsed the four Sections as recommended by the joint committee except for the new section after section 181 which stated, “The Customs personnel working in the field shall be entitled to lump-sum salary allowances, benefits and other emoluments on the approval of the Government upon the recommendation by the Pay Commission”.

The House felt that the inclusion of this clause would cause inconvenience to the government in future and therefore needed to be repealed. On the other hand, some of the Members pointed out that there was no need to repeal that section from the Bill since it was as in line with provisions of the Constitution of Bhutan and similar provision was already included in the Civil Aviation Act of Bhutan.

It was noted that provisions relating to civil service allowance, benefit and entitlement were clearly stipulated in the Constitution of Bhutan and therefore there was no need to include such a provision in other Acts. If it was included in other existing Acts then it was the responsibility of the House to amend such provisions in future.

The House, therefore, decided to remove the new section recommended by the joint committee. The recommendations submitted by the Joint Committee attached in **Annexure III**.

After the deliberation, in accordance with the proceeding of the passing of the Bill, the Chairperson of the Joint Committee moved the motion for the adoption of The Customs Bill 2017. Accordingly, the Joint Sitting of Parliament voted on the Bill and all the 69 members present and voting, voted “Yes” and adopted the Bill. The list of voters is provided in **Annexure IV**.

### **3. The National Budget Report for the Financial Year 2017-18**

#### **3.1 Introduction**

The Finance Minister presented the Budget Report for the Fiscal Year 2017-18, which was the last fiscal year for the 11<sup>th</sup> Five Year Plan (FYP), to the House.

He reported that the objective of the Financial Year 2017-18 was to successfully complete the priority programs and activities of the 11<sup>th</sup> FYP, reduce budget deficit at the end of the plan year, and generate surplus in consolidated fund at the end of the Fiscal Year 2017-18. It was also aimed to formulate a comprehensive 12<sup>th</sup> FYP and discuss the budget required for the 12<sup>th</sup> FYP with the Government of India and other development partners for the next government.

It was also informed that as the final year of the 11<sup>th</sup> FYP, the focus of the FY 2017-18 was to complete the programs and activities to achieve the goals of the 11<sup>th</sup> FYP and fulfill aspirations of the people, thereby ensuring “Prosperity for All”. Furthermore, the Government was committed to achieve the objective of reducing income poverty to 5% by the end of FY.

It was reported that the performance of Dzongkhag Development Grant had exceeded the expectations and a budget for the same

had been set aside in the Annual Budget for the FY. Besides, the Government established the Third Pay Commission to examine and recommend revision of pay, allowances and benefits of Local Government Members. The Third Pay Commission Report thereby would be presented to the House for kind approval.

It was informed that the Government provided utility vehicles to all the Gewogs in keeping with the pledges made and also increased the budget for its maintenance from Nu.60,000 to Nu.100,000. Additionally, about 112 agricultural farm shops were established in every Gewogs for the rural community, of which remaining 93 would be completed at the end of this year. The Government also committed to establish POL Retail Outlets (ROs) in all the Gewogs. The budget for 65 ROs was provided in the last FY and the balance of 140 ROs would be completed during the FY.

It was reported that as compared to the last four years, the FY 2017-18 had the highest budget allocations. The priority developmental activities to be carried out were expansion and broadening of East-West highway, maintenance of roads, and blacktopping of Gewog Centre roads. Likewise, construction of hospitals in some regions, establishment of 3 additional central schools were also some of the important developmental activities to be carried out. In addition, budgets for renovation of Dzongs and construction of new Dzongs, to make the domestic airports functional and the objective to complete the livestock farm in Samrang were also provisioned. Further, the construction of National Council building would also be initiated during the FY.

It was informed that in order to help people dependent on agriculture, the Government spent Nu.79.480 million for the electric fencing

and compensating the farmers who were solely reliant for crop and livestock for their livelihood. Further, the Government planned to establish a Stabilization Fund with an initial seed fund of Nu.50 million during the FY. Rural Life Insurance scheme was also increased from Nu.15,000 to Nu.30,000. On top of that, the Government agreed to pay remuneration to lhakhang's Konyers (caretakers).

Similarly, it was submitted that as per the Land Act, the land and property compensation which was not revised since 2009 had been revised. Further, the budget for the FY 2017-18 had been examined by RMA with regard to the level of domestic borrowing and its impact on external sector, as required by the Royal Monetary Authority Act 2010.

### **3.2 Fiscal Performance in FY 2015-16**

It was informed that the original budget for the FY 2015-16 was Nu.54,504.591 million against the estimated resources of Nu.41,017.888 million with the fiscal deficit of Nu.4,486.703 million and resource gap of Nu.4,089.738 million. During the FY, the budget was revised to Nu. 48,775.450 million and the resources to Nu.44,677.102 million. The revised total deficit was Nu.4,098.438 million and resource gap Nu.5,046.702 million. The total expenditure for the FY 2015-16 was Nu.44,688.447 million, an increase by 22.5% as compared to the previous FY.

It was reported that the total outstanding public debt (internal and external debt) as on 30<sup>th</sup> June 2016 was Nu.160,562.057 million, which was about 113% of Gross Domestic Product. In addition, the total domestic debt was Nu.4,656.115 million and the total external debt was Nu.155,905.942 million, which was about 109.7% of Gross

Domestic Product. However, the debt service ratio was maintained at 14.8%.

### **3.3 Revised Budget for FY 2016-17**

It was reported that for the FY 2016-17, the total budget had been revised from Nu.49,981.584 million to Nu.54,380.432 million and total resources from Nu.41,605.862 million to Nu.57,890.080 million. Accordingly, the total deficit improved from 5.31% to 4.06% of Gross Domestic total. The increase in total deficit was due to external assistance and adjustment of prior years' advances of Nu.4,398.848 million. The domestic revenue also increased from Nu.27,247.169 million to Nu.29,167.933 million. During the FY, Nu.262.808 million was approved for Supplementary Budget to support employment generation program.

It was submitted that the revised total expenditure was Nu.56,283.212 million which was about 8% increase from the original estimates. The external borrowing for the FY 2016-17 increased to Nu.3,826.146 million from Nu.3,567.345 million, which was an increase by 7.3%. On top of that, the debt service for FY 2016-17 was revised to Nu.4,915.416 million from Nu.4,815.16 million.

### **3.4 Budget estimates for the FY 2017-18**

It was reported that although the total budget for the FY 2017-18 was Nu.55,850.264 million, the total budget appropriation for the FY was Nu.60,777.871 million and it comprised of total expenditure of Nu.57,915.710 million, loan of Nu.41.840 million and repayment of Nu.2,820.321 million. The total resources estimated Nu.51,402.893 million, of which domestic revenue Nu.34,700.355 million and an external grant Nu.16,402.893 million.



It was informed that the total estimated expenditure was Nu.57,915.710 million, of which 49% was current and 51% was capital expenditure. With the net loan of Nu.2,065.446 million, the total budget for the FY was Nu.55,850.264 million. The expenditure was divided into total current expenditure of Nu.28,569.671 million and total capital expenditure of Nu.29,346.039 million.

It was submitted that by the end of the FY 2017-18, the external debt stock was estimated at Nu.178,672.862 million whereas the domestic debt stock was estimated at Nu.47.430 million. In order to meet the estimated resource gap of Nu.4,795.671 million and to avail the domestic borrowing, increase in loan estimate should be limited.

It was informed that the total budget appropriation allocated for Health, Education and other sectors, Parliament, Judiciary and Constitutional Bodies were provided in the Budget Report. In addition, the total Budget Appropriation Bill for the FY 2017-18 was also attached with Budget Report.

### **3.5 Tax Measures**

It was informed that based on the Economic Development Policy 2016, to stimulate economic growth, foster private sector development and generate employment, Fiscal Incentives 2016 covering direct and indirect taxes was approved by the government. Any rules which were not consistent with the provisions of the Fiscal Incentives 2016 would become invalid. A copy of the Fiscal Incentives 2016 was submitted for kind information and reference.

### **3.6 Macroeconomic Performance and Outlook**

It was reported that the economy grew at 6.5% in 2015 as compared to 5.8% in 2014. Furthermore, supplementary budget of Nu.262.808

million was provided to support the employment facilitation in the Financial Year 2016-2017. To continue the employment facilitation program, Nu.303.367 million had been allocated in the new Financial Year. The higher Gross Domestic demand for consumption and investment had deteriorated trade deficit from Nu.26.663 million during the Financial Year 2014-15 to Nu.35.829 million during the Financial Year 2015-16. Under the services account, Bhutan experienced a deficit of Nu.3.529 billion during the Financial Year 2015-16 because of higher services import. However, total reserves at the end of the Financial Year 2015-16 stood at USD 1,119 million which was adequate to cover more than one year's total imports and about 30 months of essential imports.

It was reported that according to the world economic outlook, the growth for 2017 was forecasted to be higher compared to lackluster growth in 2016. The local economic growth was projected to sustain within 6-9% over the medium term. The main contributor of growth during the Financial Year 2017-18 was projected to be from the whole sale and retail sale business. Consequently, the service sector was expected to grow on an average of 9% in the Financial Year 2017-18.

It was informed that similarly, as per the internal and external trade, the trade deficit which was estimated to be 15.9% of Gross Domestic total in 2016-17 would be reduced to 9% of Gross Domestic total in the subsequent three years. Even with higher projected imports brought about by income effect, the consistent inflow of current transfer would contain the current account deficit to a low of 8.7% during the Financial Year 2019-20 from 21.1% of Gross Domestic total in the Financial Year 2016-17.

It was reported that in accordance with the public expenditure, the total expenditure during the Financial Year 2018-19, the first year of the 12th Five Year Plan, was projected to be Nu.53,253.292 million. Out of which, the current expenditure to be Nu.32,494.918 million while capital expenditure to be Nu.20,758.375 million. The domestic revenue for the Financial Year 2018-19 was projected to be Nu. 41,607.631 million. In the Financial Year 2018-19, the total external grants was projected to be Nu.8,679.070 million, of which Nu.7,248.000 million expected from the Government of India and Nu.1431.07 million from other development partners.

It was submitted that compared to the projected fiscal deficit of 2.5% in the Financial Year 2017-18, fiscal deficit was projected to improve to 0.4% Gross Domestic total in the Financial Year 2018-19 and deteriorate to 3.7% in the Financial Year 2019-20. The external debt outstanding in the Financial Year 2017-18 was projected to be Nu.178,672.862 million, equivalent to 99.2% of the Gross Domestic total and would further increase to Nu.192,626.316 million by the end of the Financial Year 2018-19. At the end of 11th Five Year Plan, the projected total public debt would constitute about 99.3% of the Gross Domestic total. By the end of the Financial Year 2017-18, domestic debt was projected to be Nu.47.430 million whereby, the loan was scheduled to be liquidated by 1st April 2022.

### **3.7 Performance of Royal Monetary Authority**

It was informed that apart from various important tasks of the Royal Monetary Authority, it introduced Minimum Lending Rate (MLR) system in order to encourage competition and credit accessibility to the productive sectors. Also it introduced Remit Bhutan initiative for Bhutanese living and working abroad. Through this initiative

about USD 0.916 million had been remitted so far. Further, the Royal Monetary Authority, in close coordination with relevant agencies both within and outside the country managed to contain the impact of demonetization of the high denomination Indian currency notes and catered to the INR cash for needy people.

It was reported that total asset and liabilities of the RMA in 2016 increased to Nu.80.10 billion from Nu.64.70 billion in 2015, growing by 23.8%. In 2016, the amount was Nu.1.560 million, decreased by 2.7%. However, relative to the preceding year, the royalty from commemorative coins and income from other sources increased substantially by 205.1% and 405.2% respectively.

It was informed that RMA generated a surplus of Nu.1,227.000 million in 2016 as compared to Nu.1,282.000 million in 2015. After spending Nu.349.800 million to implement monetary policy and meet its operating expenses, a net surplus of Nu.974.000 million was transferred to the Government.

### **3.8 Performance of State Owned Enterprises**

It was reported that State Owned Enterprise assets in 2016 grew by 9.32% from Nu.220,900 million in 2015 to Nu.243,599.41 million. The highest growth in assets was recorded by RICBL with 22% followed by BoB with 16%. The increase was mainly due to expansion of assets. In terms of growth in shareholder investment, the net worth increased by Nu.3,623.91 million from Nu.95,278.91 million in 2015 to Nu.95,655 million in 2016.

Correspondingly, it was reported that the average profit earning of State Owned Enterprises grew by 12.89% from Nu.13,424.55 million in 2015 to Nu.15,155.66 million. Overall, total borrowing

of State Owned Enterprises and DHI-linked companies declined by 4.36% from Nu. 29,703.000 million in 2015 to Nu.28,407.000 million in 2016 mainly attributed to the reduction in Druk Green Power Corporation's (DGPC) long term borrowings of Nu.2,343.420 million. Contributions from State Enterprises constitute a major source of revenue for the Government accounting for 39% of the total national revenue.

### **3.9 Performance of Druk Holding and Investments (DHI)**

It was submitted that the Government's equity holdings in Druk Holding and Investments amounts to Nu.45,087.59 million which constituted 91% of the total equity investments in State Owned Enterprises. DHI recorded total assets of Nu.52,793.59 million and net worth of Nu.51,086 million which grew by 1% and 2.7% in 2016 respectively. In 2016, DHI earned Nu.7,383.74 million as profit, of which 97% was from dividend profit from its subsidiaries. The total profit of the company increased by 17.4% from Nu.6,291.27 million in 2015 to Nu.7,383.74 million.

It was also informed that overall, DHI contributed Nu.6,248.47 million in the form of taxes and dividends to the Government which constituted 22% of the total domestic revenue. Besides, taxes paid by DHI increased by 18% from Nu.1855.80 million in 2015 to Nu.2,180.93 million in 2016.

### **3.10 Performance of National Pension and Provident Fund**

It was reported that as of June 2016, the total asset of National Pension and Provident Fund increased to Nu.23,863.70 million from Nu.20,446.18 million in 2015. And the return on investment in the Financial Year 2015-16 was 4.94%, above the inflation measured by

Consumer Price Index, where NPPF earned gross revenue of 9.11% and declared annual return of 8.5% to its members.

### **3.11 Trust Funds**

It was submitted that the Trust Fund was established with an initial fund of Nu.31.267 million and invested in fixed deposit with the Bhutan National Bank at an interest rate of 7% per annum with deposit tenure of one year. When the fixed deposit matured in October, 2017, an interest income of Nu.4.469 million would be accrued. The total fund would then be Nu.68.344 million, which was an increase of 14% over the previous year.

It was informed that towards realization of the vision of His Majesty the Fourth Druk Gyalpo Jigme Singye Wangchuck to make Bhutan self-reliant in terms of essential drugs and vaccines, Nu.500.00 million was kept as contribution to Bhutan Health Trust Fund to achieve its target of Nu.3.000 billion.

### **3.12 Stabilization Fund**

It was reported that during the Financial Year, the Government planned to establish a Stabilization Fund and an Endowment Fund for Crop and Livestock Conservation. In keeping with the objective of 11th Five Year Plan, establishing a Stabilization Fund for resource dependent country would serve monetary as well as fiscal tools. The Government would establish it with Nu.10 mn as initial seed money. The main purposes of the Fund would be to sterilize inflows from hydropower exports and related loans and grants, reduce instability in liquidity and credit, enable government to support and sustain the desired level of growth in the economy, and enhance priority sector investments, private sector development and investing in foreign

bonds. The management and operation of the Fund would be as per the operational guidelines developed by the Government.

### **3.13 Endowment Fund for Crop and Livestock Conservation**

It was informed that Bhutan was largely an agrarian economy with large population engaged in crop and livestock farming. Agriculture contributed up to 16.08% of Gross Domestic Product and constituted about 58% of total population. It continues to play a vital role in reducing poverty and bringing prosperity for Bhutanese people. However, crop destruction, wildlife encroachment into fields, natural disasters and climate change had become major sources of anxiety for our rural communities. Thus, the Government explored the possibility of starting crop and livestock insurance.

It was reported that while premium scheme proved to be very expensive, the Government proposed to set up the Endowment Fund for Crop and Livestock Conservation during the Financial Year, to which start-up fund of Nu.50.000 million was provided. The Government would then raise the contributions from bilateral and multilateral agencies within the period of 10 years to meet the target of the Fund set at Nu.1,500.000 million.

### **3.14 Hydropower Development**

It was submitted that on an average, the hydropower sector contributed about 45% of its gross revenue to the Government. The contribution accounted for about 25% of the Government's total domestic revenue.

### **3.15 Foreign Direct Investment**

It was reported that there were 52 Foreign Direct Investment projects in the country. In addition, as of December 2016, a total of 4,900 people were employed in FDI projects. Furthermore, it contributed

a revenue of Nu.1,003.072 million to the Government. Additionally, it also contributed USD 48.900 million after starting the FDI from 2013 to 2016.

### **3.16 Conclusion**

It was submitted that the Budget for Financial Year 2017-18 had been prepared in consultation with the implementation agencies including the local governments. Besides, it provided adequate resources to complete all ongoing activities to achieve the goals of the 11th FYP. In this regard, it was reminded that all budgetary agencies accord high priority in optimally using the budget allocated towards achieving the Annual Performance Agreements (APA).

### **4. Question Hour: Group A- Questions asked to the Prime Minister, Minister for Information and Communication**

The Speaker informed that the Question Hour, the Business Order for the day, was held in accordance with the Section 84 of the National Assembly Act 2014. He also informed that there were a total of five questions, four questions for oral answers and one for written answer. The Speaker said that supplementary questions would be entertained at the end, subject to availability of time.

1. The Opposition Leader pointed out that Bhutan's happiness ranking had dropped from 84th out of 157 countries in the World Happiness Report 2016 to 97th out of 150 countries in the World Happiness Report 2017. He expressed that for a country that promoted happiness, such a sharp drop was a matter of high concern. The Member questioned the Prime Minister on what the government's plans and policies were to improve the situation.
2. The Member from Bumdeling-Jamkhar Constituency said that despite the freedom of speech, BBS when recently airing a



program of people complaining about water problems had blurred their faces and distorted their voices. The Member questioned the Minister for Information and Communications whether that was because of the fear of retribution from the government.

3. The Member from Drametse- Ngatshang Constituency submitted that in spite of our country being a Buddhist nation, there was an increasing number of Chorten vandalism in the country. The Member also reported that despite the existence of stringent sentences such as life imprisonment, the cases of chorten and Lhakhang vandalism were more prevalent. Thus, the Member questioned the Minister for Home and Cultural affairs as to whether it was because of the failure of the law enforcing agencies or because people were not aware of the existence of such stringent laws in the country.
4. The Member from Panbang Constituency reported that Bhutan was a small country with a handful of population. However, mass exoduses of people started moving out to foreign countries looking for job opportunities and therefore it was a matter of serious concern for the country. Thus, the Member questioned the Prime Minister to provide reasons for such exodus of people and what the government's plans and policies were to stop such movement in future.

**14<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Fire Female Bird Year corresponding to May 9, 2017**

***Note:**Answers and deliberations for the abovementioned questions, written question-answers submitted by the Member from Bumdeling-Jamkhar Constituency to the Minister for Information and Communication were provided separately in the verbatim book published for reference.*

## **5. The Local Government Pay Revision Report 2017**

On behalf of the government, the Finance Minister presented the Pay Revision Report 2017. He reported that under the leadership of Their Majesties, democracy had been established for the welfare of the people and the country. Therefore, the socio-economic development of the people was imperative to build a strong foundation of democracy. Since most of the people live in the rural areas and the government considering the important roles and responsibilities of the Local Government leaders, revised the pay of local government members by 30-40 % in 2014. The pay revision served as incentives for the local government leaders to serve the people leading to a successful outcome of the 11th FYP further deepening democracy.

As directed by the Prime Minister to revise the pay scale for the local government members, the Third Pay Commission was formed comprising of seven members on February 21, 2017. It was also reported that the directive was also received to examine and revise Foreign Service entitlements and the pay and allowances for GSP and ESP personnel.

The members of the Third Pay Commission carried out thorough study after which the Pay Revision Report was submitted to the Cabinet on May 1, 2017. Accordingly, the government reviewed and endorsed the following:

- a. The salary of Local Government members to be revised by 40% on the existing pay and introduce a 2% annual increment for Local Government members except for Thrompons.
- b. The government decided to revise in-country daily allowance by 33% for Gups, 50% for Mangmis and 66% for Tshogpas.

In addition, DSA for Ex-country travels was endorsed as recommended by the Pay Commission.

- c. The Government decided to revise the sitting fees of Local Government members from Nu.200 per day to Nu. 5000 per session for attending Dzongkhag Tshogdu and from Nu.150 per day to Nu.1000 per session for attending Gewog Tshogde.
- d. In view of the additional responsibility, the Special Responsibility Allowance for Chairpersons and Deputy Chairpersons of Dzongkhag Tshogdu was to be revised to Nu.6000 from Nu.1000 and Nu.3000 from Nu.500 per month respectively.
- e. Although the communication allowance for Thrompons and Gups were maintained at the existing rates, monthly communication allowance of Nu.200 for Mangmis and Dzongkhag Thromde Thuemi and Nu.100 for Tshogpas and Thromde Thuemi respectively was approved.
- f. As per the Section 25 Chapter 4 of the Local Government Members Entitlement Act 2015, the members were entitled to gratuity on completion of his/her term. In addition to 40% salary revision, Local Government members would also receive 11% as matching contribution towards their provident Fund (PF) from the Government. Since the payment of gratuity was based on the latest basic pay, the Local Government members would also benefit from enhanced gratuity payment.
- g. The gross benefits that the Local Government members would receive after the 40% revision in the pay scale would be about 62% for Gups, 64% for Mangmis, 69 % for Thromde Thuemis and 77% for Tshogpas.

- h. The salary of the Foreign Service personnel posted in the missions, embassies and the consulates were revised along with the salary of the other civil servants in July 2014. Since the Foreign Service personnel were also civil servants, any revision in their allowances may raise expectations for similar revision by other civil servants. Similarly, the revised pay had been high for GSP and ESP personnel as compared to other civil servants in 2014. With the delay in the commissioning of the hydropower projects and the non-realization of the additional revenue from these projects, such a revision for the entire civil service was not recommended by the Third Pay Commission.

It was submitted that the Ministry of Finance would provide the guidelines in implementing the revised pay, allowances and benefits of the Local government members from July 2017 and a net financial implication of Nu. 135.406 million had been included in the Budget Appropriation Bill for the FY 2017-18 to be drawn from consolidated fund. Thus, the Pay Revision Report 2017 had been submitted as Money Bill to the House for kind approval. In recognition of the important role played by the Local Government members, it was hopeful that the House would expeditiously adopt the Pay Revision Report 2017 and the revised rate could be referred through the report booklet distributed in the House.

The Speaker said that considering the importance of the Local Government members, the Government formed the Third Pay Commission. After the establishment, the Third Pay Commission tirelessly carried out review works for three months and submitted the recommendations to the Cabinet. The recommendations had been reviewed by the Cabinet and the Finance Minister presented the

report to the House. Therefore, on behalf of the House, the Speaker expressed appreciation to the members of the Third Pay Commission and the staff of the Ministry of Finance for submitting quality report to the House.

As the Government Pay revision funds were drawn from the consolidated fund, it was adopted as Money Bill in accordance with the Article 14 Section 2 and 3 of the Constitution of the Kingdom of Bhutan. As per the rules, the House directed the Finance Committee to review the Money Bill and reminded that the deliberation on this Money Bill and Annual Budget would be held together later.

**14<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Fire Female Bird Year corresponding to May 9, 2017.**

## **6. Motion for the First and Second Reading of the Anti-money Laundering and Countering Financing of Terrorism Bill 2017**

The Member In-Charge of the Bill, the Finance Minister moved the motion to introduce the Anti-Money Laundering and Countering Financing of Terrorism Bill 2017 for deliberation. The Member from Wamrong constituency seconded the motion. The House by show of hands decided to deliberate on the Bill.

Following that, the Member In-Charge, in his motion for the Second Reading introduced the objectives of the Bill. The objective of the Bill was to ensure peace and happiness of the world and achieve the financial security. The House was informed that a Financial Task Force Committee was formed in 1989 by seven member countries. Following that, four types of groups had been working to counter anti-money laundering and Bhutan became the 41st Member of Asia Pacific Group on Money Laundering in 2011.

Accordingly, one of the Asia Pacific Groups reviewed Bhutan's financial laws and system in 2015. Bhutan attended the Asia Pacific annual meeting in 2016 and during that, it was informed that the Bhutan's existing financial laws and systems were not consistent with the standards of Financial Task Force Committee. Therefore, formulation of a new law was recommended. It was informed that once the Bill was passed, Bhutan would benefit in matters pertaining to FDI, signing of international agreements and maintaining priority with international financial system.

It was reported that if a Bill was not formulated, Bhutan would risk being included in the list of countries, which needed to be reviewed by the International Joint Review Committee. If Bhutan fell among them, Bhutan would have risks in carrying out international business and availing financial services. Although, it was imperative for the House to deliberate as an Urgent Bill, the Committee recommended it be deliberated as a normal Bill.

In accordance with the Section 208 of the National Assembly Act of Bhutan 2008 and Section 159 of the National Assembly Rules of Procedure 2014 and considering the importance of the bill, it was recommended that the Third Reading of the bill be carried out in the same session. The members through a majority show of hands supported the recommendation.

Following which, the Speaker directed the Good Governance Committee to review the Bill per the National Assembly Act of Bhutan 2008 and National Assembly Rules of Procedure 2014. The Committee was directed to review the Bill in line with the Public Finance Act, Penal Code of Bhutan and other relevant Acts and submit its report to the House on 26<sup>th</sup> May 2016 for Third Reading.

The Member from Panbang Constituency in his dissenting opinion expressed he could not support the bill to be qualified as an Urgent Bill. The Member submitted that as per Section 185 of the National Assembly Rules of Procedure, either the Prime Minister or a Member should recommend in case of an Urgent Bill to the Speaker. However, in this case, the cabinet did not submit all relevant documents on the Bill.

The Speaker informed that deliberation was held during the Preliminary Meeting held on April 21, 2017 to ascertain whether the bill should be submitted as Urgent Bill or not. As it was agreed that the Speaker of the National Assembly and Chairperson of the National Council could discuss and decide on the matter, the bill was referred to the committee to ascertain if it qualified to be an Urgent Bill. The House was informed that the Committee recommended that the bill should be tabled as a normal bill for the third reading as per the National Assembly Rules of Procedure.

**15<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Fire Female Bird Year corresponding to May 10, 2017.**

## **7. Resolution on the Third Reading of The Marriage Bill of Bhutan 2017**

The Chairperson of the Women, Children & Youth Committee, Member from Chhumig-Ura constituency presented the Marriage Bill of Bhutan 2017 for the Third Reading in keeping with the resolution of the Eight Session of the Second Parliament. He informed that the Marriage (Amendment) Act 1980, Marriage (Amendment) Act 1996, Marriage (Amendment) Act 2005 and Marriage (Amendment) Act 2009 had not only become outdated but subsequent amendments were also not consolidated. Therefore, as per the directives of the

House to formulate a new Bill, the Marriage Bill of Bhutan 2017 was tabled for Third Reading.

It was reported that the Committee conducted 52 meetings on the new Marriage (Amendment) bill and held consultations with various stakeholders. It was expressed that due to lack of convenient time, the committee could not get opinions and hold public consultations through virtual zomdu platform. The Bill was also made available online on the National Assembly website for a month to get feedback and public opinion. Since there was no opinion and comment on the bill, it was considered to be accepted by all. It was also hopeful that the House would adopt the bill after extensive and careful deliberations. The committee also submitted that the committee members would render full support in their capacity to clarify any doubt on the bill.

Deliberating on the bill, the House unanimously adopted Section 1 to Section 7 with minor amendments. However, from Section 8 to section 9, it was found that clauses on Surety (Jabmi), Responsibility of Surety, and male Surety for bridegroom and female for bride would create gender differences. Recommendations were made to amend that surety could be any male or female. It was submitted that Surety (Jabmi) should be a person who was familiar with the bridegroom and bride's background, and hold responsibility as there was difference between surety (Jabmi) and a witness (Pangpo). However, few members expressed that there was no difference between surety (Jabmi) and witness (Pangpo) and therefore suggested replacing Zom pang in place of Pangpo. Whereas, few members suggested defining 'Zom pang' and 'Pangpo' clearly under the definition to clarify the issue.



On this, the Leader of Opposition, the Minister for Labour and Human Resources, Member from Lamgong-Wangchangng Constituency and Member from Panbang Constituency expressed that the Marriage Bill of Bhutan was an important bill. Unlike other bills, the Bill was very vital for the functioning of the society. Members also opined that the present bill had not been drafted in line with the changing times. As per the deliberation held till Section 8, it was seen that the bill needed to be reviewed in line with other existing sections of the bill. Therefore, it was expressed that it would be wiser to defer the discuss on the bill.

The Chairperson submitted that as the committee had carried out many consultations and also deliberated the bill from 5th to 8th Sessions, the Bill may be passed by the House. However, as per the Section 207 of the National Assembly Rules of Procedure and Section 190 & Section 191 of the National Assembly Act of Bhutan, the Committee would abide by the decision of the House to either defer the bill for further review or drop the bill altogether.

Accordingly, as per the Section 207 of the National Assembly Rules of Procedure and Committee Chairperson's submission, the House while ascertaining the support, majority of the members decided to defer the Marriage Bill of Bhutan 2017 through show of hands. Therefore, the House resolved to defer deliberation on the bill and resolved to refer the Bill to the National Law Review Taskforce for further review and later table the bill as a Government Bill after being reviewed by the National Law Review Taskforce.

**15<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Fire Female Bird Year corresponding to May 10, 2017.**

## **8. Resolution on the Local Government Petition to Upgrade Zhemgang Central School to a College.**

The Speaker informed that the National Assembly had received the petition from the people of Zhemgang Dzongkhag to upgrade Zhemgang Central School to a College during the Fifth and Seventh Sessions. While deliberating the petition in the preliminary meeting of the Seventh Session, it was decided that the issues be sent to the Ministry of Education for appropriate actions and a report thereof be submitted in the preliminary meeting of the Ninth Session. As directed, on behalf of the Minister for Education, the Minister for Labour and Human Resources submitted the report. Deliberating on the report, the Members through the majority show of hands decided that the agenda should be deliberated in the House.

Following this, as per the Section 109 under Chapter 12 of the National Assembly Rules of Procedure and the resolution to upgrade Zhemgang Central School to a college, the Education Minister informed that Zhemgang was one of the least developed dzongkhags as compared to other dzongkhags and had high poverty rate as well. It was also submitted that there was huge risk of people migrating to urban areas and therefore, the government continued to provide support to reduce migration of people.

Similarly, it was expressed that education was a vital tool for alleviating poverty and for community development. Thus, in order to provide quality education, it was imperative for the Ministry of Education to establish a college in the dzongkhag. Based on the research and appropriate observations reported by the Ministry of Education, the following recommendations were submitted:

- a. Zhemgamg Dzongkhag had favourable climate and vast geographical area for establishment of a college.

- b. The House could decide if the existing central school was to be upgraded to a college or a new separate college to be established.
- c. To allow suitable time in the 11th Five Year Plan to carry out preparatory works and start the college during the 12th FYP.

On the second recommendation, it was submitted that the Ministry of Education had already finalized to hold consultation with the Dzongkhag, Local Government and the people.

Deliberating on the recommendations, members led by the Member from Panbang Constituency expressed that the petition to upgrade Zhemgang Central School to a college was mainly due to the villages being abandoned, lack of economic opportunities, lack of a single college in the central region despite four colleges established recently in the east. It was added that Zhemgang Central School was one of the oldest school in the country and establishing a college would benefit regional development of central Dzongkhags, create greater opportunities to avail quality education by youths and immensely benefit Zhemgang Dzongkhag in particular.

Furthermore, it was reported that only 30 percent of total students qualify from high schools to colleges in Bhutan, while the international norms require between 60-70 percent. It was recommended that the government should look into the feasibility of establishing more colleges in the regions, dzongkhags and come up with the plans.

On the second recommendation submitted by the Ministry of Education, some members said that the decision to upgrade the existing central school or establish a new college, the decision could not be made by the House. It was proposed that the matter be forwarded to the experts in the Ministry of Education, hold

consultations with various institutions under the Royal University of Bhutan and finalize thereof. Some members also proposed that it would be judicious to provide opportunities to affluent private individuals to establish colleges should there be financial setback on the government's part.

On the other hand, some members expressed that it would be preferable for the government to establish a college rather than private entity for the larger interests of the people and students. Other members opined that government should consider future challenges and difficulties in establishing a college and also the curriculum should be targeted for better job opportunities. Further submission was made that government should refrain from establishing colleges on cultivable land to conserve our natural resources and minimize expenditure as far as possible.

On the third recommendation, few members submitted that a feasibility study and preparatory works for a college should be carried out within a year and submit a recommendation during the Tenth Session. Some members expressed that the House do not have the authority to decide on activities and formulation of the 12<sup>th</sup> FYP. Therefore, it was felt that the decision should be made by the local government and concerned agencies. It was also pointed out that the government should consider the number of students' intake from high school s to colleges and accordingly formulate plans and policies.

On that, the House unanimously supported the motion to establish a college in Zhemgang Dzongkhag. Regarding the second recommendation whether to upgrade the existing central school to a college or to establish a separate new college in a different place, it

was resolved that Ministry of Education, Royal University of Bhutan and Royal Education Council carry out a study and make a decision based on the findings. With regard to its inclusion in the plans, it was decided that it was under the jurisdiction of the Local Government, Dzongkhag and expertise of the Ministry of Education. However, the House recommended that while formulating plans, considerations should be made on the policies of balanced regional development, revision and introduction of curricula that would benefit both the future and present generations.

**16<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Fire Female Bird Year corresponding to May 11, 2017**

**9. Question Hour: Group B- Questions asked to the Minister for Works and Human Settlement, Minister for Education and Minister for Foreign Affairs**

Before the commencement of the Question Hour, on behalf of the Members of the National Assembly and on his own behalf, the Speaker expressed his gratitude to all the nurses in the country for their dedicated service on the occasion of the International Nurses Day.

Following that, the Speaker informed that there were total of ten questions including seven questions for oral answers and three questions for written answers. The Speaker instructed that supplementary questions would be entertained in the end, subject to availability of time. The following questions were asked:

1. The Member from Phuentsholing constituency said that the construction of new bridge over Singye Chhu on the Darla-Pasakha by-pass road was started by project DANTAK during the 9th Plan but not completed yet. The Member further expressed

problems faced by the people in the event of road block on the Gedu-Phuentsholing highway. He added that the existing bridge had a load capacity of 24 tons and the bypass had become important especially for vehicles carrying heavy equipment for hydropower projects like Mangde Chhu and Punatshangchhu Hydroelectric Projects. Therefore, the Member submitted that it was imperative to build a bridge with a minimum load capacity of 100 tons. He asked the Minister for Works and Human Settlement to provide a response on the matter.

2. The Member from Drujegang-Tseza Constituency submitted that Central Schools benefitted large number of people. However, it was submitted that same facilities were not provided to students residing within five kilometers radius from central schools. The Member questioned the Education Minister on the policies of the government to ensure equal access for those students.
3. The Member from Drametse-Ngatshang Constituency reported that since December 2015, the government had directed to use only locally produced bricks for public constructions. However, it was seen that use of imported red bricks for constructions in Thimphu continue despite the government's directives to use only locally produced bricks. The Member sought clarification as to why the directive was not complied and why locally made bricks had to go through quality checks while those imported bricks were not tested.
4. The Member from Nanong-Shumar constituency questioned the Minister for Works & Human Settlement on the bad condition of road between Nganglam-Pemagatshel. The Member submitted

that the road condition was worse especially at certain sections and it posed risks to travelers and public buses in particular. Therefore, the Member asked the Minister to clarify the House on the plans and programs for maintenance and improvement of the highway.

5. The Member from Panbang constituency submitted that the Central School system was re-introduced by the present government in a hasty and haphazard manner, without a clear policy or plan. It was also submitted that even after three years of its commencement, central schools were faced with numerous problems and challenges such as cramped hostels, poor library, lack of lab and IT facilities, inadequate dining and multi-purpose hall, dire shortage of drinking water, highly over-burdened teachers and many more. It was further reported that in many central schools, the much hyped “three eggs a week” programme was a farce and the students do not get it. The Member added that the quality of education and well-being of the children were adversely affected. Therefore, the Member questioned the Education Minister on the government’s plans to streamline and resolve the problems.
6. The Member from Kengkhar- Werringla Constituency expressed that the government pledged to blacktop all Gewog Centre roads during its tenure. However, it was submitted that while blacktopping of some GC roads had been completed, some GC roads were not included in the blacktopping list. Therefore, the Member questioned the Minister for Works and Human Settlement to clarify the government’s plan on the blacktopping of remaining gewog centre roads.

7. The Member from South Thimphu constituency questioned the Minister for Works & Human Settlement as to when the construction of Dalbari - Lhamozingkha road would be completed as it had already been delayed by more than two years. What would be the additional cost implication on account of the delay and payment of compensations to the contractors who were terminated.

**17<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Fire Female Bird Year corresponding to May 12, 2017**

*Note: Answers and deliberations for the abovementioned questions, written question-answers submitted by the Opposition Leader and the Member from Panbang Constituency to the Minister for Works and Human Settlement provided separately in the verbatim book published for reference.*

## **10. Report on the Implementation Status to encourage the Private Sector and Corporations to increase Maternity Leave**

The Speaker informed that the Business Order for the day would be to deliberate on the Implementation Status of the Resolution of the Eight Session. Therefore, the Minister for Labour and Human Resources was asked to present a report on implementation status of increasing the maternity leave for women working in the private and corporate offices.

Presenting the report, the Labour Minister reported that as per the resolution of the Eight Session, the government accorded high priority in ensuring the safety and security of the women and children by extending continued support. It was informed that private and corporate offices had framed their leave rules and regulations in



accordance with the Labour and Employment Act of Bhutan 2007, which stipulated maternity leave of two months and paternity leave up to five days for employees.

Furthermore, as per the Labour Survey Report, there were a total of 352,953 employees working in the private sector, out of which 164,909 were women. Out of that, a total of 37,722 women were of fertile age. A total of 675 women between the age group of 18 to 25 years were found to be working in private corporate sectors. The Minister informed that a six-member committee comprising of representatives from the Ministry of Labour, Bhutan Chamber for Commerce & Industries, Druk Holding & Investments, National Commission for Women & Children, Civil Society Organizations and the Finance Ministry was formed. The committee had submitted the following recommendations:

- a) The Government required to formulate plans and also create awareness on the larger benefits of providing such support and security to working women and their children.
- b) To start enhanced maternity leave for women employees working in government agencies followed by large state owned enterprises, and selected private firms.
- c) Later to increase maternity leave for women employees by small private firms for future benefits.
- d) To increase the paternity leave from five days to ten days in the private and corporate offices.

It was submitted that prior to the commencement of 8<sup>th</sup> Session, there were a total of 110 corporate offices who supported the increased maternity leave from two to three months. By the end of the 8<sup>th</sup> Session, the number had increased to 166 corporate offices. It was

reported that four corporations had agreed to increase maternity leave from three to six months, and 65 corporate offices agreed to increase from two to three months.

Similarly, submission was made that the number of baby crèches had increased and the government assured to give salary to caregivers at a minimum wage rate of ngultrum 125 to those parents working in the crèches. For the women working in various companies under the Druk Holding and Investments, the following three options were provided for the boards to consider:

- a) Working mothers should be given two months maternity leave and additional two hours off daily for breastfeeding and childcare up to four months with full pay. Similarly, paternity leave should be increased to ten days and baby crèches to be established closeby their workplaces; or
- b) Working mothers could be granted half day leave for three months in addition to three months maternity leave, totaling to six months maternity leave. Full salary should be paid. Paternity leave should be increased to ten days and baby crèches to be established closely their workplaces; or
- c) Working mothers should be granted a maternity leave of three months, two hours off daily for breastfeeding and childcare up to one year. Baby crèches to be established closeby their workplaces.

Likewise, it was reported that 110 female teachers working in private schools would be compensated for extended maternity leave. It was proposed that with two to three months of actual maternity leave, remaining months would be granted as well to the teachers as per their qualification. Teachers with class ten qualification would be paid Nu. 9500 per month, class twelve qualification with Nu.12000

per month, diploma holding nurses with Nu.14000 and graduates with Nu.15000. The government would also continue to look into possibilities to increase maternity leave from two to six months in government owned enterprises and hoped that the agencies under the DHI would support the initiative.

During the deliberation, it was pointed out that the main objective of increasing maternity leave was to ensure that infants received good nutrition to help develop both physically and mentally. This would also prevent children from contracting different kinds of diseases. Therefore, it was imperative that the maternity leave was enhanced for working mothers. The government should fix the maternity leave, a private enterprise should give their employees.

During the deliberations, few members expressed that since six months of breastfeeding was critical, the state must ensure that all working mothers get equal duration of maternity leave wherever they work. Submission was also made that there were about one hundred thousand women who did not get same duration of maternity leave. Therefore, it was important to adopt a clear policy along with a strategic plan for fair implementation. It was also submitted that it was important to distribute related documents and printed reports for more information which would only benefit the deliberation in the House. The House reiterated that any report from the government and committee should be distributed in print copies in future.

The Labour Minister submitted that as per the report presented, it was observed that maternity leave in corporations and agencies were given as per their convenience. If such was the case, it would mean that there were two laws and systems in the country. It was informed that maternity leave was granted from a minimum of three months

and a maximum of six months in 35 developing countries. In India, employers provided six months of maternity leave to their employees. It was reported that apart from salary, type of agency and burden on the agency, there were various methods while granting maternity leave in the world. Therefore, it was essential that laws should be formulated for the betterment of availing meaningful maternity leave.

The Speaker reminded that majority of the women apart from government employees and various agencies were farmers. The government adopted a policy of six months exclusive breastfeeding. Her Majesty the Queen Mother with staff from the Health Ministry carried out advocacies in the Dzongkhags and Gewogs to promote awareness on important public health and social issues. He reminded that either plans and programs should be formulated to implement the existing policies or come up with a new legislation if necessary.

On that, submission was made that the government would formulate plans to grant six months maternity leave. Foremost, it would be piloted from the civil service as the laws and regulations in the civil service were comprehensive. In accordance with the policy framed according to the report findings of World Health Organization (WHO) and UNICEF, it also stated that mothers should be provided nutritional food and child should be breastfed up to six months. Since private entities and agencies were governed by separate rules and systems, it was essential for the government to continue holding consultations with them.

It was reported that there were about one hundred thousand women outside the civil service. Out of that, most of the women were farmers and therefore, it was imperative for the members of parliament to educate and create awareness while visiting their constituencies. This

would greatly benefit the people and help in raising awareness. It would be inappropriate for the government to direct the private firms to enhance maternity leave because those private firms were set up on loans. The government could only formulate policies that would support maternity leave. The need for a new legislation was not seen.

The House was informed that the private sector and agencies rendered full support on the policy of enhanced maternity leave during MoLHR's consultations with them. They reported that it would take time in devising a system. The Ministry would continue to carry out review tasks for the private sector and agencies.

On that, the House applauded MoLHR for carrying out review works on maternity leave and presenting the report as per the resolution of the House to hold an informed deliberation. The House expressed that the main objectives of increasing the maternity leave to six months was to ensure that the child got enough nutrition for healthy growth both physically and mentally. Therefore, it was crucial that Royal Civil service Commission (RCSC), Ministry of Health (MoH), Ministry of Labour and Human Resources (MoLHR), National Commission for Women and Children (NCWC), Civil Society Organizations (CSOs), private sector and various agencies continue to hold consultations and support the policies. The Members of Parliament were also reminded to create awareness in their respective constituencies.

The House further directed that any report submitted by the Ministry, Agency or Committee should be compulsorily distributed in print form to the House.

**19<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Fire Female Bird Year corresponding to May 15, 2017**

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

The Speaker informed that for the Question Hour, there were a total of ten Questions including four Questions for Oral answers and six Questions for Written answers. The Speaker instructed that supplementary questions would be accepted in the end, subject to availability of time.

1. The Member from Dophuchen-Tading Constituency submitted that as per the Income Tax 2001, income from cash crops such as cardamom and oranges were taxed in some rural places. Therefore, the Member questioned the Minister for Finance to provide clarification on the taxation policy on agriculture products, specifically on the tax incentives on cash crops for improving the livelihood of the people.
2. The Member from Panbang Constituency submitted that the people of Khenrig Namsum had been waiting with great hope for the Chamkhar Hydropower Project for a long time. Every time the people enquired about its commencement, the Government had been giving assurance of starting the project soon. However, there had been no fruition till date. Moreover, it was reported in the latest Budget Report that the project was scheduled to start in FY 2017-18. Therefore, the Member questioned the Minister for Economic Affairs to provide clear confirmation to the House whether the project would finally commence in the fiscal year as stated in the Budget Report.
3. The Member from Kengkhar-Werringla submitted that based on the gravity of the unemployment problem in the country, a

supplementary budget of Nu. 262.808 million was approved to create 4139 jobs. The Member questioned the Minister for Labour and Human Resources to provide status report on implementing the programme, fund utilization and the number of people benefitted.

4. The Member from Bumdeling - Jamkhar Constituency submitted that the Government had established many business ventures thereby depriving the private sector of business opportunities. It was also expressed that business was best left to the private sector and the role of the government was to create an enabling environment for the growth of the private sector. The Member questioned the Minister for Economic Affairs on the Government's plans to develop the private sector.

**20<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Fire Female Bird Year corresponding to May 16, 2017.**

**Note:** *Answers and deliberations for the questions, written question-answers submitted by the Member from Panbang Constituency, Member from Drametse-Ngatshang Constituency, Member from Radhi- Sakteng Constituency and member from Bartsham Constituency to the Minister for Finance, Minister for Economic Affairs and Minister for Labour and Human Resources provided separately in the verbatim book published for reference.*

## **12. Motion on the policies and programmes to support the highlanders to enhance the sustainability of their livelihoods**

The Speaker informed the House that the agenda was deliberated by the people of Lingzhi Gewog under Thimphu Dzongkhag during their Dzongkhag Tshogdu and put forward in the Seventh Session

of the Second Parliament. The agenda was submitted reasoning that gewog center and households were located at the borders and moreover, there was a concern whereby these people might migrate into the urban areas in the future. Deliberating on the issue during the preliminary meeting, it was perceived that the problem did not pertain only to one dzongkhag but entire highlanders in the country. Therefore, an ad-hoc committee was formed led by the Opposition Leader and Members from the constituencies of Haa, Paro, Gasa, Wangduephodrang, Bumthang, Lhuentse, Trongsa, Trashigang and Tashi Yangtse. The Committee was directed to present a report of its research findings during the preliminary meeting of the Ninth Session. The preliminary meeting decided that the issue should be moved as a motion in the House.

The Chairperson of the Committee, the Leader of the Opposition, while presenting the report expressed there was a need of plans and policies to improve the livelihood of highlanders because these highlanders served as guardians along the borders and natural resources on which these highlanders, who were mostly yak herders, depended on had been depleting.

Furthermore, it was pointed out that with changing economic condition and deterioration of natural resources, there was risk of highlanders migrating to other places. Such migration might pose threats from outsiders encroaching Tsamdro lands which were once owned by them. Thus, it was imperative to develop policies and plans to improve the livelihood of the highlanders. It was also reported that cattle left to wander freely without regard to use of Tsamdro rules and ownership had not only affected but also led to decreasing number of cattle. The people also stopped the traditional practice



of sheep rearing and the number of yaks also decreased making the situation worse.

As per the existing laws, the highlanders had to abide by certain rules and regulations to collect timber, stones, sand, firewood and medicinal herbs. Most of their lands fell under the protected areas under various national parks. People were also deprived of good compensation for deaths of their animals to wildlife predations. Although, community and primary schools were established in high altitude areas, many of the students moved away to pursue higher education in different places. Hence, the students did not return home and such practices left community vacant. People who depended on rearing domestic animals wander from places to places thereby making it hard to avail health facilities as well especially pregnant women more at high risks. Therefore, there was also a need to provide better health facilities and services in the highlands.

Similarly, it was recommended that tourism be introduced and highland products be made commercial. Tax exemption, better electricity and mobile services and education should be provided and focused as compared to other places. The motion on the importance to provide timely helicopter services was also submitted both oral and in written form. The motion is annexed in **Annexure V**

While deliberating on the motion, the ministers on behalf of the government clarified that financial services in the rural areas had been provided by the Bhutan Development Bank. It was also submitted that the taxes were imposed as per the tax regulations 1992. The tax imposition was a normal practice from long time back and only a minimum amount was imposed. It was informed that different

Ministries have come up with various strategies such as revised Forest and Nature Conservation Rules and Regulations to improving the livelihoods of the highlanders. Furthermore, compensation for crops and animal deaths due to wildlife conflict had been included in the endowment funds for the financial year and helicopter services for the transportation of patients were also initiated.

It was further informed that works were underway to provide separate mobile network for Lunana. The Minister informed that South Asian Satellite was recently launched which would hopefully help the people living in high altitudes. It was hoped that the results would be fruitful because most of the plans and programs had already been implemented by the government. Submission was made that ongoing works would be completed at the earliest and the new recommendation would be prioritized in the government programs for implementation. Hence, it was submitted that there was no need for further deliberation.

The House ascertained the clarification expressed by the government and majority of the members by show of hands supported the plans and programs of the government. The House directed the Government to work tirelessly to improve the sustainability of highlanders' livelihoods and to include those recommendations which were not included in the plans and programs by the government.

**20<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Fire Female Bird Year corresponding to May 16, 2017.**

### **13. Resolution on the Deliberation on Multilateral Agreement for Establishment of International Think Tank for Landlocked Countries**

The Speaker informed that the day was observed as the World Telecommunication Day. On this Day he expressed his gratitude and appreciation to all staff working under the telecom sector across the country for their dedicated service to the nation.

Moving on to Government Business, the Member In-Charge of the Agreement, the Minister for Foreign Affairs moved the motion to introduce the Multilateral Agreement for the establishment of International Think Tank for Landlocked countries. Accordingly, the House through the majority show of hands resolved to deliberate on the motion.

The Member In-Charge in his motion for the Second Reading informed that the idea of Multilateral Agreement for establishing the International Think Tank for Landlocked countries had originated in the International Ministerial Conference among the Landlocked countries held in Almaty, Kazakhstan in 2003. The idea of establishing a think tank for landlocked countries became an initiative when the President of Mongolia addressed the meeting attended by heads of the landlocked countries in Havana in 2006.

Accordingly, after the acceptance of establishment of the International Think Tank for Landlocked Countries by the United Nations, the UN Secretary General officially launched the International Think Tank for Landlocked Countries in Ulaanbaatar, Mongolia. The main objectives of the think tank were to facilitate international trade, reducing poverty and performing high standard research. It was

reported that nine countries had signed the agreement as of now and seven countries have ratified the Agreement.

Since Bhutan was considered among the developing landlocked nation, signing in as a member to the International Think Tank would benefit the country in trade, sharing ideas and expertise for development with other landlocked countries, generating employment opportunities and sovereignty of the state.

Deliberating on the Agreement, the House recognized the importance of the Agreement and the benefits it would accrue for the country. However, most of the Members submitted that the responsibilities related to think tank had not been clearly stated and the responsibilities were all related to Almaty Program of Action. Submissions were thus made that related papers in question were not made available before the House. Considering the present and future benefit, it was submitted that it would be wiser to deliberate the Agreement at a later date after carrying out thorough study and deliberation.

On that, the House decided to obtain documents related to the Almaty Program of Action from the Ministry of Foreign affairs and distribute to the House for review. Therefore, the House after ascertaining the support through the show of hands resolved that the deliberation on the Agreement would resume at a later date and concluded the deliberation.

**21<sup>st</sup> Day of the 3<sup>rd</sup> Month of the Fire Female Bird Year corresponding to May 17, 2017.**

On 22<sup>nd</sup> May 2017, additional documents related to the Agreement were circulated and the agenda item was re-deliberated. One of the

Members submitted that it was imperative to consider whether or not the circulation of documents pertaining to Almaty and Vienna Conventions only in English were in line with the rules of the House and the Parliament. It was expressed that the media had disseminated Bhutan's stand to defer its joining to the International Customs Organization at the moment. As per the Almaty Program of Action, the landlocked countries had to join the International Customs Organization. However, the resolutions of the World Trade Organizations were to be abided by and accordingly monitored by the United Nations. The Members thus submitted that ability to abide by such provisions had to be ascertained.

Concerns were expressed on the provision permitting trade to other countries via landlocked and island countries. Clarifications were sought whether or not the relevant government authorities had assessed the issue of trade routes as per the laws of the country. It was further reminded that although the objectives of the multilateral agreement were good, it was imperative to be mindful of the future peace and security of the people and the country.

The Almaty and Vienna programs were mainly to explore avenues in establishing a think tank. Thus, it was submitted that endorsement of the multilateral agreement would ensure more benefits than harm. Although the Almaty and Vienna programs of action were introduced in 2010, only nine out of 32 landlocked countries signed the Agreement. Clarifications were therefore sought on why rest of the landlocked countries did not signed the Agreement.

To this, the government informed that the multilateral agreement tabled in the House was aimed at establishing think tank for the

landlocked countries. It was also informed that staggering cost would be involved if all related documents to the Agreement were to be circulated as similar agreements would certainly be tabled in future. The think tank was to be established in order to exchange ideas among the landlocked developing countries to mitigate poverty and enhance cooperation.

It was further submitted that the Agreement tabled was mainly for the purpose of research and there were no rooms for concern pertaining to use of land for trade. Both the Almaty and Vienna programs of action resulted as a resolution of the meetings held among the land locked developing countries. The programs in this context had to be implemented as per the adaptability of the countries and not as a law. The government also clarified that the two programs of action were not tabled for endorsement. It was informed that since the landlocked developing countries were scattered across the globe, Mongolia took a lead role in putting emphasis to strengthen cooperation among the land locked countries.

On this, some of the Members expressed that although Bhutan was a small landlocked country it had good trade relations with other countries owing to the noble leadership of our monarchs. In addition, it would be beneficial for a small country like Bhutan to participate in international committees and organizations. It would further benefit Bhutan in terms of international trade, human resource development, poverty eradication and enhancing the capacity of landlocked developing countries. Thus, the House endorsed the Agreement following the deliberation on each and every provision of the Agreement. It was resolved that as per the legislative procedure,

the Agreement would be ratified on 23<sup>rd</sup> May 2017. The deliberation on this agenda consequently concluded.

**26<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Female Fire Bird Year corresponding to May 22, 2017**

Accordingly, on 23<sup>rd</sup> May 2017, the Member in Charge of the Bill, the Minister for Foreign Affairs, moved the motion to ratify the Multilateral Agreement for Establishment of Think Tank for Landlocked Developing Countries. Out of the total 44 Members present and voting 41 vote “Yes”, 2 voted “No”, 1 “Abstained” and passed the Agreement based on majority votes. The voting results are attached in the **Annexure VI**.

Expressing his dissenting opinion, the Member from Panbang constituency said that although the objectives of the Agreement were good, possible problems might ensue given the implementation of Almaty Program of Action. Similarly, the Member from Gangzur-Minje Constituency also expressed that he could not support the Agreement as it would create problems in future for the people and the country.

Following this, the Speaker remarked that the Agreement stood endorsed after majority of the Members voted in favour of the Agreement.

**27<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Female Fire Bird Year corresponding to May 23, 2017**

#### **14. Resolution on the 10<sup>th</sup> Annual Report of the Anti-corruption Commission**

The 10<sup>th</sup> Annual Report of the Anti-Corruption Commission was presented to the House by the Member from Nyisho-Sephu

constituency who was the Dy. Chairperson of the Good Governance Committee. The report was presented following a review conducted by the committee on the report.

According to the 2016 report of the Transparency International, Bhutan was ranked 27 least corrupt countries among 176 countries. Similarly, Bhutan was ranked 6th least corrupt country in the region. It was reported that the commission had not only organized an international meeting in the year but had also revised the working framework of the commission and was also putting efforts towards establishment of a trust fund.

In addition, it was reported that the commission had not only revised the asset declaration and gift rules but also made recommendations on improving the working system of the commission to curb corruption.

Till date, the commission had transmitted 126 cases to various agencies out of which 69 cases were executed. In addition, out of 429 cases, 165 cases were found eligible for investigation. Similarly, out of 32 cases referred to the Office of the Attorney General, three were returned to the commission with no false findings. Time was taken by the Office of the Attorney General (OAG) to register cases given the unavailability of documents and indications. The OAG had to summon the accused to the court and thus hereafter it was reported that the accused should be summoned under the authority of the court.

Until December 2016, there were a total of 33 cases in the court and verdicts on another 41 cases were yet to be executed. In the Samtse mining case, the amount of money involved was Nu. 91,107,198.42



million but the verdict was yet to be executed leaving it a cause of concern.

Submission was made to allot a separate and adequate percentage of budget to the Anti-Corruption Commission. On this, it was submitted that the budget allotted to the commission at present was adequate and consensus had also been reached between the ACC and the OAG on seized goods. However, clarifications were sought on why there was no report available on the seized goods.

In addition, recommendations of the commission to establish an Ombudsman Office was endorsed by the Good Governance Committee after a thorough review. The nine recommendations of the committee are as follows:

- a) The ACC, the OAG and the RBP should institute a system of regular coordination meetings, perhaps on a monthly basis to improve evidence, produce defendants to court on the appointed day, and other matters.
- b) The ACC, the OAG and the RBP should have their research units to analyze the data such as the average time taken to investigate a case (ACC), review a case (OAG), prosecute a case (OAG).
- c) The judiciary to be requested to use its power to summon defendants at the time of filing cases since the OAG did not have the powers to do so.
- d) The OAG to complete restitution of long-overdue cases within the next six months with the Ministry of Finance providing any additional budget requirement and the RCSC providing necessary human resources with the report on it to be tabled before the National Assembly in the 10<sup>th</sup> (winter) session.

- e) The government to seek the judiciary's cooperation in attachment of defendants' properties where the defendants were not complying with the restitution orders.
- f) The Ministry of Finance and the Ministry of Economic Affairs to present their findings and views on the proposals for improvements in the trade licensing and customs and tax administration.
- g) The ACC and the GGC to carry out the feasibility studies for the establishment of an ombudsman's office.
- h) All agencies to submit the Action Taken Reports to the ACC on cases shared with them by the ACC within the stipulated time.
- i) The government to table a report on the above resolutions in the next session of Parliament.

Deliberating on the report, some of the Members led by the Opposition Leader expressed that instituting a trust fund for the staff of the commission would lead to similar precedence in other agencies in future. It was thus not feasible to have a trust fund. It was submitted that it was imperative for the agencies to deal with corruption related to nepotism as per the provisions of respective laws. In a bid to prevent corruption, research works should be carried out comprehensively to nullify corrupt practices and laws should also be amended from time to time as and when required.

The Ministers submitted that the government continue to support the commission in fighting corruption. However, the commission and agencies were immediately disclosing the information in the media in case of administrative corruption involving a public servant affecting the mental wellbeing and image of the public servant. It was also affecting the public servants in rendering efficient services to the

people. It was thus submitted that it would be appropriate to disclose the identity of the person only after ascertaining the accusations.

Some of the Members submitted that 83% of the corruption cases were concentrated in Phuentsholing Dungkhag and it was taking a longer time to resolve the cases posing significant risk. The Members thus suggested for establishing an additional bench in the Phuentsholing Dungkhag court. It was further submitted that an Ombudsman office was not required to be established and if required, a separate division under the commission would suffice.

On the other hand, some of the Members submitted that Ombudsman office was required in order to address cases of corruption pertaining to administrative issues. After deliberating on the report, the House endorsed six of the nine recommendations of the committee in its entirety. However, the first and fourth recommendations of the committee were endorsed with some amendments while the sixth recommendation was dropped as follows:

1. It was resolved that a system should be instituted for the Anti-Corruption Commission, the Royal Bhutan Police and the Office of the Attorney General to hold meeting from time to time.
2. On the fourth recommendation, it was resolved that the Ministry of Finance and the Royal Civil Service Commission should render financial and human resource support to the Office of the Attorney General. A report should also be submitted as soon as possible pertaining to the refund of money that the Office of the Attorney General owed to the government.
3. The sixth recommendation was resolved to be deleted. The National Assembly expressed its appreciation to the Anti-

Corruption Commission and the Good Governance Committee for their commendable work. The commission had successfully organized a meeting of 150 international experts in Bhutan. Besides, the commission created awareness on promotion of national integrity at the local government level and as well as among various institutions. The House also noted that as per the aspiration of His Majesty the King, it was imperative for all the people of Bhutan to unite against corruption both in spirit and action. The deliberation on the Annual Report of the Anti-Corruption Commission was thus concluded.

**23<sup>rd</sup> Day of the 3<sup>rd</sup> Month of the Female Fire Bird Year corresponding to May 19, 2017.**

## **15. Question Hour Group D: Ministries of Agriculture & Forests and Ministry of Health**

The Dy. Speaker presiding over the day's business informed that there were a total of five oral questions and one written question. It was also informed that one of the oral questions by the Member from Drujegang-Tseza constituency was withdrawn as per section 93 of the Rules of Procedure of the National Assembly. Further, the House was informed that floor would be provided for supplementary questions subject to availability of time at the end.

1. The Member from Wamrong constituency questioned the Minister for Agriculture & Forests on the distribution of power tillers to all Chiwogs. He submitted that so far power tillers had not reached all Chiwogs.
2. Continued ban on import of chilies into the country was questioned by the Member from Bumdeling-Jamkhar constituency. The Member submitted that extending the ban appeared to be illogical

as chili was a seasonal crop and the chemical content might vary from time to time.

3. The Member from Panbang constituency questioned the policy of the government on the privatization of public health services. It was submitted that as per the Economic Development Policy 2016, privatization of public health services would not be allowed. However, the policy allowed private entities and foreign companies to participate in providing health services among others. He thus asked the Health Minister to clarify on the policy.
4. The Government's plan to acquire funds for procurement of essential medical equipment and providing medical specialists for hospitals in the country was questioned by the Member from Kengkhar-Weringla constituency.
5. The Member from Nganglam constituency questioned the Minister for Agriculture & Forests on the collection of membership fees from the farmers upon formation of 73 Agro-Cooperative groups with 407 farmers in Tsirang. He further questioned that during the recent visit of the Minister to Tsirang, the Minister had assured to refund the fees to the farmers.
6. The need for a Basic Health Unit (BHU) in Lingdhen Chiwog under Phuentsholing constituency was questioned by the Member from Phuentsholing constituency. It was informed that in the absence of a BHU in the Chiwog, residents had to travel long distance to Phuentsholing to avail health care services. He also added that opening of a BHU in the Chiwog would greatly benefit 12 neighboring villages including one Chiwog under Lokchinna Gewog.

7. The Member from North Thimphu constituency questioned on the difficulty faced by the people of Dechencholing to avail health care services since the present BHU was located inside the Royal Body Guards Headquarters. He also said that the facility had become old and the location of the place was not convenient for the increasing residents.

**23<sup>rd</sup> Day of the 3<sup>rd</sup> Month of the Female Fire Bird Year corresponding to 19th May 2017**

**Note:** *The answers to the above questions and the written answers for the written question raised by the Member from Boomdeling-Jamkhar constituency to the Minister for Health provided in a separate verbatim booklet.*

## **16. Question Hour Group A: Prime Minister, the Ministry for Information & Communications and the Ministry for Home & Cultural Affairs**

The Speaker informed that for the day's question hour there were a total of six oral questions and one written question. Further, the House was informed that floor would be provided opportunity for supplementary questions subject to availability of time at the end.

1. The Member from Boomdeling-Jamkhar constituency questioned the Prime Minister on the status of government's pledge to ensure housing for all. In response, the Prime Minister clarified that the government's pledge was not to provide housing to every individual but it was to render support to the people in building houses. He also touched on various programs of the government which had facilitated construction of houses for the people.
2. In a question raised to the Minister for Home & Cultural Affairs, the Member from Wamrong constituency questioned that some of

the youth were sentenced for consuming Spasmo Proxymin (SP+). He added that it might not be correct to convict those youth as the Narcotic Drugs, Psychotropic Substances and Substance Abuse Act of 2015 did not mention tramadol as the main component of the drug and pleaded for the release of youth convicted with the abuse of SP+ thus far.

3. The Minister for Information & Communications was questioned on why exorbitant amount of parking fee was levied at the Paro International Airport by the Member from Gangzur-Minjey constituency.
4. The Member from Nubi-Tangsibji constituency questioned the government's take on its lottery venture. He said that like other forms of gambling, lottery was also a form of gambling at the national level with greater harm.
5. The Government's pledge to introduce bus services to all Gewogs was questioned by the Member from Drametse-Ngatsang constituency.
6. The Member from Panbang constituency reported that it was heard that the government was considering downgrading the role of Bhutan Broadcasting Service (BBS) as a Public Broadcaster and also establishing a private broadcasting service. He therefore questioned the Minister on the government's position on the matter.

**27<sup>th</sup> Day of the Third Month of the Female Fire Bird Year corresponding to May 23, 2017**

**Note:** *The answers to the above questions and the written answers for the written question raised by the Member from Drametse-Ngatsang constituency to the Minister for Information & Communications provided in a separate verbatim booklet.*

## **17. Resolution on the Review Report of the Finance Committee on the National Budget for the Fiscal Year 2017-18**

In accordance with Section 240 of the National Assembly (Amendment) Act 2014, the Member from Wamrong constituency who was the Chairperson for the Finance Committee presented the review report on the National Budget for the Fiscal Year 2017-18 in three parts.

### **Part 1: National Budget Report**

It was reported that during the FY 2015-16, the total resources realized was Nu.42,039.30 million, reflecting an increase of 2.49 percent when compared to the approved budget of Nu.41,017.89 million. However, the total outlay had decreased by 4.18 percent against the approved budget which resulted in the improvement of the fiscal balance from negative Nu.4,486.70 million to negative Nu.1,563.70 million. The domestic revenue saw an increase by 6.62 percent and stood at Nu.28,033.812 million when compared to the previous fiscal year 2014-15. The tax revenue and non tax revenue constituted about 70.93 percent and 29.07 percent respectively of the total revenue. The total debt accounted about 109.7 percent of the GDP.

The Chairperson informed that the total public debt outstanding as on 30th June 2016 was Nu. 160,562.057 million (FY 2015-16) constituting about 113 percent of GDP. Of the total public debt, the external debt was Nu. 155,905.942 million (109.7 percent of GDP) and the balance of Nu. 4,656.115 million were domestic debt. Of the total external debt, about 73 percent was hydro debt (80.1 percent of GDP) and 27 percent was non-hydro debt (29.7 percent of GDP). Furthermore, the approved outlay for the FY 2016-17 was



Nu. 49,981.58 million against the total resources of Nu.41,605.86 million. The fiscal deficit was estimated at 5.31 percent of GDP. The supplementary appropriation for fiscal year 2016-17 was for a sum not exceeding Nu.4,525.552 million on account of donor fund incorporation, Government co-funding, advances adjustment and technical adjustment appropriations rationalized not exceeding Nu.126.704 million. The revised budget after the rationalization and supplementary appropriation stood at Nu.59,227.076 million.

Similarly, the revised budget reflected an increase in the total resources by Nu.6,284.22 million and total outlay by Nu.4,388.85 million. The increase in the total resources had offset the increase in the total outlay; thereby bringing an improvement in the fiscal deficit from 5.31 percent to 4.06 percent during the period ending 31<sup>st</sup> March 2016, which was within the acceptable limit of 5 percent of GDP. The total debt estimated at 103.9 percent of the GDP was primarily due to expected disbursement for the hydropower projects. The debt to hydropower and non hydropower constituted about 81.2 percent and 22.7 percent respectively.

Based on the planned disbursements of the on-going and new lending, the total public debt as on 30th June 2017 was estimated at Nu. 166,176.236 million, constituting about 103.9 percent of GDP. Of the total public debt, the external debt was estimated at Nu. 166,118.892 million. About 78.2 percent of the total external debt was on account of hydropower debt (Nu. 129,852.797 million) and the balance 21.8 percent non-hydro debt.

The House was reported that the total estimated budget outlay for the FY 2017-18 was Nu.55,850.264 million (includes current, capital

and net lending) against the total resources of Nu.51,402.893 million. The fiscal deficit would be at Nu.4,447.371 million which was about 2.47 percent of GDP. The domestic revenue saw a drastic increase by 19 percent when compared to previous fiscal year revenue, of which direct tax constituted 70.4 percent and indirect tax constituted 29.6 percent. Therefore, as mandated in the Constitution, the domestic revenue for the FY 2017-18 would be able to finance entirely the current expenditure and the remaining Nu.6,130.684 million would be utilized for capital expenditures.

The Economic and Public Services Sector had been allocated with the highest budget constituting about 34 percent of the total budget outlay, of which Roads took the highest share of 12 percent followed by Agriculture with 9 percent and Housing and Community with 7 percent in this sector. The Social Services had been allocated with 26 percent followed by General Public Services with 23 percent of the total budget outlay (inclusive of expenditures on both current and capital, repayment on borrowings and on lending). The Social Services included the Health and Education sectors and were allocated with the budget of Nu.5,003.924 million and Nu.10,931.687 million respectively.

The new feature in the annual budget for the fiscal year was that the subsidy on domestic power tariff to BPC was provided to subsidize rural light voltage (LV) and medium voltage (MV) consumers which were previously done outside the budget. This was not at all reflected in the past budget reports and the amount had been retained with Druk Green Power Corporation (DGPC). The revenue earned from royalty energy was now directly transferred to government and had been identified as one of the sources of income to the Government.

Furthermore, the Chairperson reported that the Government would establish a Stabilization Fund with Nu.100.000 million during the FY 2017-18 as seed capital. This was done with the objective of 11th FYP to establish a Stabilization Fund for resource dependent country with multi-faceted purposes that would serve monetary as well as fiscal policy and investment objectives. The main objectives of the Fund was to sterilize inflows from hydropower exports and related loans and grants, to reduce the volatility in liquidity and credit, to enable the government to support counter-cyclical interventions to sustain the desired level of growth in the economy, to enhance priority sector investments, for private sector development and investing in foreign bonds. The management and operation of the Fund was reported to be as per the operational guidelines developed by the Government.

The external debt was estimated at Nu. 178,672.862 million by the end of FY 2017-18, which was about 99.2 percent of estimated GDP. Of the total, Nu. 146,010.484 million was on account of hydro debt and balance amount of Nu. 32,662.378 million non-hydro debt. The external debt was projected to increase by 7.6 percent. After the presentation of the report, following recommendations were presented by the Committee:

- a) There was a need for adequate coordination between agencies like Gross National Happiness Commission (GNHC), Department of public Accounts (DPA), Department of National Budget (DNB) and budgetary agencies on budget allocation process.
- b) The winding up of the budgetary support by development partners to ACC, the Government to cushion the differences in budget from Government from this fiscal year 2017-18.

- c) The support from development partners would be winding up as Bhutan gradually migrated from LDC to MDC, it was important that Bhutan be prepared to increase its domestic revenue to fund more capital activities.
- d) The Government to implement pre financing for only priority plans and programs under donor funding.
- e) The Public Expenditure Management System (PEMS) to be improved and strengthened.
- f) Allow re-appropriation of budget for an activity if it was within the plan and ceiling.
- g) Look for innovative ways to streamline process and reducing the tendering advertisement duration.
- h) Savings acquired from activity completed to be excluded from underutilized budget.

Following this, the Speaker informed that while deliberating, it was imperative to be mindful that the internal revenue should not only cover the current cost but also must be available for capital expenditure. It was further informed that the trust fund of Nu.100.00 million instituted by the government would benefit the people in future and the debt management policy formulated as per the directives of the House would benefit the country.

To this, some of the Members led by the Leader of Opposition submitted that while formulating budget, the main objective should be to achieve self-reliance and fulfill the aspirations of the people. The budget formulation should also be based on the four pillars of Gross National Happiness mainly sustainable development, environmental conservation, preservation of culture and good governance. It was

however submitted that the budget for the present fiscal year did not include any sustainable projects and activities. Furthermore, it was submitted that there was no detailed mention about activities and programs to address the youth unemployment problems although the budget to this effect had been allocated.

In addition, it was set forth that the budget should be allocated in addressing problems faced by the country. The budget secured from development partners should be spent only in genuine areas and additional IT Parks, hydropower projects and tourism industry should be strengthened to address the unemployment problem. Submission was also made that farm roads should be prioritized to eradicate poverty, problems of irrigation and drinking water shortages should be addressed and the problem of inadequate housing should be resolved.

Although the Finance Committee had reported that the non-hydro debt was below 35% of the GDP, the public debt stood at Nu.160,562.57 million by June 2016 which was 113% of the GDP. Concerns were expressed that at the end of the 10th plan the public debt stood at 97% of the GDP while it had increased by 16 percent during the term of the present government in the last three years. It was submitted that the government should clarify to the people why the public debt was on rise.

Similarly, deliberating on the supplementary budget, submissions were made that the amount of supplementary budget was more than the actual approved budget. It was expressed that in the absence of a ceiling, it could set precedence for unplanned activities to be incorporated as part of the supplementary budget in future. It was

imperative to ascertain a ceiling as 45% of expenditure was made from external aid and grants. The Members expressed that the government approved supplementary budget of more than 100% of the actual budget was a cause of concern and was in contravention to the mandate of the Parliament. Clarifications were also sought on reasons why such budget was allotted to agencies and for which activities it was allocated.

In the eight session, supplementary budget of Nu. 262 million was allocated to the Ministry of Labor & Human Resources to address youth unemployment problems. Although a total of 4,000 youth were to be employed, only 2,000 (50%) were employed after five months of approving the budget. Thus, it was unlikely that another 2,000 youth would be employed in the next one month.

Furthermore, an estimated amount of Nu. 42 million was expected for the renovation of Drametse Dzong. Thus, Nu.17 million allocated for the purposes would not be adequate and the Ministry for Finance should provide additional budget from its reserve. It was submitted that as mentioned in the budget report, salaries for Lhakhang caretakers were to be supported. However, there was no detail report on the budget allocation for salaries and it was important to consider whether or not the salaries for the Lhakhang caretakers should be routed through the pay commission. Doubts were also expressed on the legality of institution of a trust fund by the government in the present annual budget although it would benefit the country.

In order to generate 10,000 megawatt of electricity, agreements were signed between the Royal Government of Bhutan and the Government of India. Accordingly, prioritization had been done

and the commencement of Chamkharchu, Bunagu and Wangchu hydropower projects were included in the present budget report. However, it was submitted that there was no detail facts of the hydropower projects thus raising doubts whether or not those projects would be started in the next fiscal year.

Toward this, the Prime Minister, Cabinet Ministers and the Chairperson of the Finance committee provided clarifications. It was clarified that the budget was formulated based on the principles of the 11th plan and the Gross National Happiness. The non hydro debt was decreasing and around 70% of the budget in the 11th plan was generated from internal revenue. In addition, the foreign reserve had increased which was an indication of the country moving towards self reliance.

Besides, the youth unemployment in the country was still a challenge and thus Nu. 1.038 million was allocated to generate employment in the current budget. Employment would be provided in new corporations, construction sector, private sector and overseas as per plans in place. It was also informed that around 1,078 youth would be sent for training in rural skills development programs.

Similarly, Nu.262.808 million was allocated to the Ministry of Labor & Human Resources during the 8<sup>th</sup> session to address youth unemployment. From this budget, a total of 70 youth were sent to Japan for employment and addition 500 youth were also planned to be sent to Japan. It was informed that thus far, the supplementary budget had helped provide employment to 2,000 youth and 2,000 more youth would be employed in the span of next two months.

In the supplementary budget for the year 2016-17, some small amounts were required for those government activities which ran short of budget and more importantly the supplementary budget for these activities were from external grants and not from the internal revenue. Submissions were made that if ceiling was to be formulated for the supplementary budget, it would not only contravene the parliamentary rules but amendment would also be required in the Public Finance Act. Further it was informed that for the fiscal year 2016-17, total budget of around Nu. 54 billion was allocated with Supplementary budget of only Nu. 4 billion and thus it was not more than the actual budget.

In addition, the public debt should be understood in two aspects mainly hydro debt and non hydro debt. The public debt was on the rise mainly because of the purchases made for hydro power equipment. It was natural for the debt to rise as the works for the hydro power projects were in full swing. However, there should be no concern as the hydro debts would be paid back once those projects were commissioned upon completion.

Similarly, the present government had brought down the non-hydro debt from Nu. 40 billion in the 10th plan to Nu. 34 billion at present which was an indication of improvement in the country's economy. The government had also formulated the debt management policy 2016 as per the directives of the House during the 5th session. According to the debt policy, the non-hydro debt should be maintained below 35% of the country's GDP and at present it was 21% of the GDP. Similarly, import should be maintained below 25% of the exports and at present it was at 22%.



Besides, it was informed that remunerations for Lhakhang caretakers were not a new trend and that the amount would be determined by the Zhung Dratshang. Thus, it was not required to be routed through the pay commission and the budget to this effect would be met from the reserve fund.

It was reported that the institution of government trust fund was in line with the laws and based on the recommendation of the International Monetary Fund and the World Bank. The trust fund was mainly for future benefit of the country and the fund to this effect would be generated from the sale of electricity.

To this, the House directed the Finance committee to ascertain whether or not the trust fund was in line with law and present a report thereof after the tea break. Accordingly, the committee reported that institution of trust fund was in accordance with laws as per section 169 and 170 of the Public Finance Act 2007. However, it was informed that the government needed to formulate rules and regulations for the implementation of the trust fund. It was therefore recommended that the government should formulate rules and regulations and present a report to this effect during the 10th session. The recommendation was endorsed by the House and all eight recommendations of the committee were endorsed following no submission on any of the recommendation.

**30<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Female Fire Bird Year corresponding to May 25, 2017**

On the 1<sup>st</sup> Day of the 4<sup>th</sup> Month of the Female Fire Bird year corresponding to May 26, 2017, the Member In Charge of the Bill, the Minister for Finance moved the motion to adopt the revised

budget for the fiscal year 2016-17. The Supplementary Budget of Nu. 4,535.552 million in addition to the initially approved budget of Nu. 45,828.228 million took the revised budget for the fiscal year 2016-17 to Nu. 59,227.076.

The Supplementary Budget Appropriation Bill was subsequently endorsed by the House with all 44 Members present voted in favour of the Bill. The voting result provided in the **Annexure VII**.

Following this, the Member In Charge of the Bill, the Minister for Finance moved the motion on 1<sup>st</sup> Day of the 4<sup>th</sup> Month of the Female Fire Bird Year corresponding to May 26, 2017 to pass the Budget Appropriation Bill for the fiscal year 2017-18. The total budget for the fiscal year amounted to Nu. 60,777.871 including current budget of Nu. 28,569.671 million and capital budget of Nu.32,208.200 million.

Accordingly, the Budget Appropriation Bill for the fiscal year 2017-18 was passed by the House with 43 Members voting 'Yes' and one Member voting 'No'. There was a total of 44 Members present for voting. The voting result provided in the **Annexure VIII**.

Expressing his dissenting opinion, the Member from Panbang constituency expressed that the main objective for the formulation of budget should be towards achieving self reliance. However, the present budget did not include any project which could build the internal revenue. He also said that he could not support the Bill as there was no detail plan in the budget to address youth unemployment which was one of the pressing challenges of the country.

Further, it was submitted that the government had not allocated budget in genuine areas while good amount of money was spent

on Bhutan Lottery Limited and helicopter services. The budget report although mentioned on the commencement of works for Chamkharchu, Bunakhachu and Wangchu hydro power projects in the next financial year, the Member said that it was included just for namesake and it was not likely that the works would be started.

Following this, the Speaker expressed his appreciation to the local government leaders, Dzongkhags, Departments and Ministries, Constitutional bodies and various agencies for formulating their budget proposals. The House also commended the works done by the Gross National Happiness Commission and the Ministry of Finance in reviewing the budget proposals of the agencies. Further, the Finance committee was also commended for reviewing the budget report for the last ten days and presenting the report thereof to the House.

### **Part 2: Third Pay Commission's report on the revision of pay and entitlements for the members of the local government**

The Chairperson of the Finance committee, the Member from Wamrong constituency presented the Third Pay Commission's report on the revision of pay and entitlements for the members of the local government. The revision of salary for LG members after statutory deductions, the effective increase in the take home pay for Gup, Mangmi and Tshogpas were 18 percent, 21 percent and 22 percent respectively. The post service benefits for Local Government Members would be in line with Sections 22, 24 and 25 of the Local Government Members Entitlement Act 2015. The following recommendations were also presented by the committee:

- a) The Finance Committee recommended the Government to propose amendment of House Rent Allowance (HRA) for Thrompons in the LG Members' Entitlements Act (LGMEA) of Bhutan 2015.

- b) The existing HRA for Thrompons to be discontinued until the Parliament amended the LGMEA of Bhutan.
- c. Although, the Dzongkhag Tshogdu was the highest decision making body in the Dzongkhag, the sitting fee for the DT members was kept at par with Thromde Tshogde. Therefore, there was a need to review the sitting fee for Dzongkhag Tshogdu and Gewog Tshogde in near future.

Deliberating on the report, it was submitted that the government could not work as per the Local Government Members' Entitlements Act because the Act was not yet implemented after adoption. Therefore, members of the previous local governments could not avail various retirement benefits. Since His Majesty had highlighted the importance of the roles of the Dzongkhag Tshogdu Chairpersons, the proposed revision of pay was comparatively less. Thus, it was submitted that the pay should be further increased as there was a huge difference between the pay of a Member of Parliament and a member of the local government despite both being elected. It was also opined that given the enhancement of the economy, the pay revision should also be done for the civil servants.

Submissions were made that during the pay revision in 2014 following the institution of the 2nd Pay Commission, only the existing allowances were merged and actual pay revision was not very effective. The objective of the 2nd Pay Commission was to benefit the civil servants in lower grades but the benefit was literally more for those in higher grades. In 2014, it was resolved that pay revision for the elementary service personnel, general service personnel and foreign service personnel were to be revised during

the 3rd Pay Commission. It was therefore not appropriate as there was no pay revision proposed for these personnel.

To this, the Cabinet Ministers submitted that the 3rd Pay Commission's report was prepared by experts after carefully examining the economic situation and the revenue base of the country. Further, the pay for the members of local government were being revised mainly given their important role in democracy and the lower pay they were entitled to at the moment. It was also justifying to revise the pay for civil servants but it could not be done as major hydropower projects were still under construction and could not be built on time. In case, hydro power projects were to be completed by 2018, the pay for civil servants could be revised. Pay revision would also lead to the pay revision for people in the private sector.

Similarly, it was clarified that pay for the elementary service personnel and general service personnel could not be revised as it would have impact on the pay structure of entire civil service. On the other hand, the pay for Foreign Service personnel were revised along with the rest of the civil services in July 2014. Thus, any revision to their pay could draw hopes for pay revision by other civil servants and this it was not revised.

Submission was made on recommendation B of the committee pertaining to house rent allowance of Thrompons. It was set forth that the housing rent allowance for Thrompons be upheld as in the present practice. The Chairperson of the Finance committee submitted that though he supported the house rent allowance for Thrompons, the practice at present was not in line with the law. He said that Section 3 of the Local Government Members' Entitlements Act 2015 nullified the circular issued by the Ministry of Finance in

2014 pertaining to house rent allowance for Thrompons. Thus, in the interest of future benefit, the house rent allowance was to be kept in abeyance until the provision was amended in the Act.

To this, the ministers submitted that the Local Government Members' Entitlements Act 2015 did not mention anything about the house rent allowance for Thrompons. Therefore, as per sections 2 and 3 under Article 30 of the Constitution, the cabinet had the authority to revise pay and allowances through Pay Commission and there was nothing illegal about it. The Speaker reminded that the Constitution should be appropriately interpreted and not only considering one's authority. Some of the Members also submitted that as per the legal opinion provided by the Office of the Attorney General to the 3rd Pay Commission, the house rent allowance for Thronpons were not in line with the law.

In addition, it was submitted that the sitting fee for members of the Dzongkhag Tshogdu should also be revised and the feasibility of providing house rent allowance for other members of the local government should be considered when the Local Government Members' Entitlements Act 2015 was amended in future. The Members expressed that Gaydrungs were currently neither civil servants nor members of the local government. The post of Gaydrung was to be done away from 2019. The clarification was thus sought on the issue and it was set forth that given the importance of the issue, separate day was required to deliberate the issue further.

Following this, upon the call of the Speaker to vote, the Members unanimously expressed their support for the three recommendations submitted by the committee. Accordingly, as per the legislative

procedure, it was resolved that the report would be put to vote on 26<sup>th</sup> May 2017.

**30<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Female Fire Bird Year corresponding to May 25, 2017**

On the 1<sup>st</sup> Day of the 4<sup>th</sup> Month of the Female Fire Bird Year corresponding to 26<sup>th</sup> May 2017, the Member In charge of the Bill, the Minister for Finance moved the motion to adopt the pay revision for members of the local government. He expressed that members of the local governments had huge responsibility and accountability in a democracy and thus their pay and entitlements were proposed for revision. He also expressed that the members of the local government would continue to serve the people and the country with dedication and urged the House to endorse the revised pay and entitlements.

Accordingly, all 44 Members present during the voting voted in favor of the pay and entitlements revision for the members of the local government. Consequently, the pay revision and entitlements report for the members of the local government was endorsed. The voting result provided in the **Annexure IX**.

### **Part 3: Review report on the Fiscal Incentives 2017**

The Chairperson of the Finance committee, the Member from Wamrong constituency presented the review report on the Fiscal Incentives 2017. He reported that the Fiscal Incentives 2017 had been developed in line with the Economic Development Policy 2017 since the Policy served as a framework for government agencies to facilitate private sector development, stimulate economic growth and generate employment during the formulation of the strategies, rules and regulations.

Fiscal incentives were tax measures geared to encourage those business entities and individuals to engage in behavior that was socially responsible and benefitting the community.

The committee also informed that the Fiscal Incentives 2017 included 31 new incentives, 36 incentives continued from FI 2010 and 20 incentives discontinued from FI 2010.

Further, the committee observed that granting tax holiday in the developing countries was a must to stimulate economic growth. However, the Committee observed that the forgone revenue amounted to Nu.4,406.532 million in 2016 which constituted about 15.7 percent of the total domestic revenue. The committee subsequently made the following recommendations:

- a) The Committee recommended to endorse the Fiscal Incentives with the provision to review the duration of Tax Holiday after 30th June 2020.
- b) The need to review incentives for book writers and printing of the books to encourage the upcoming writers in the country which in return would help in achieving the “Education for Excellence”.

Deliberating on the report, some of the Members sought clarifications whether the fiscal incentives 2017 were just being presented as a report or it was presented for deliberation and adoption. One of the Members submitted that the fiscal incentives 2017 should be tabled as a money bill as per section 1 and 6 under Article 14 of the Constitution, section 5.7 of the Supreme Court’s verdict on the first constitutional case and as per sub-section A & B under section 46 of the Public Finance (Amendment) Act 2012.



To this, the Finance Minister submitted that as per Sales Tax, Customs and Excise Act of Bhutan, 2000 and the verdict issued by the Supreme Court on the first constitutional case, it was the prerogative of the government to grant fiscal incentives 2017 in order to meet current expenditure from the internal resources. In addition, the Office of the Attorney General had also provided legal opinion stating that the government had the authority to grant fiscal incentives and in case of new taxes, it had to be tabled in the parliament.

On the agenda, some of the Members submitted that the government had already granted the fiscal incentives since January 2016 for a period of 17 months and thus it had contradicted the provisions of the Constitution. The House after extensive deliberation asserted that although the Speaker had the authority to declare whether or not as a money bill, the Chairperson of the Finance committee was directed to consult with legal experts and present a report thereof after the lunch break.

Accordingly, the Finance committee presented a report after lunch break to the House. It was reported that granting of fiscal incentives by the government was in line with law as per Sales Tax, Customs and Excise Act 2000, section 5.7 of the verdict passed by the Supreme Court on the first constitutional case and the legal opinion provided by the Office of the Attorney General. However, the Chairperson also went on to report that section 3 of the Public Finance Amendment Act of 2012 superseded the above provisions. In addition, if section 5.7 of the verdict passed by the Supreme Court was to be comprehensively considered, all taxes shall be determined lawfully by the parliament. Therefore, the House supported the recommendation of the committee which stated that the fiscal incentives 2017 should indeed be a money bill.

Furthermore, the House resolved that the implementation date of the fiscal incentives 2017 should be from 8<sup>th</sup> May 2017, the day it was introduced in the House and not as proposed from 1st January 2016.

Some of the Members also submitted that the tax exemption for small rural enterprises and tariff free electricity up to 100 units of electricity in rural areas should be included in the fiscal incentives 2017. It was further set forth that tax exemptions up to 15 years for hotels in eastern Bhutan to promote tourism should be retained in the fiscal incentives 2017 as well.

The Cabinet Ministers and the Chairperson of the committee reported that the free electricity of 100 units was to be revised every after three years and the government was granting concession for users of small and medium voltage of electricity. Thus, it was not required to be included in the fiscal incentives 2017. Similarly, it was submitted that tax exemption for hotels in the east was possible without including it in the fiscal incentives but by applying the general rules of tax exemptions to hotels.

Following this, the Speaker granted the floor for submissions on the recommendations of the committee. However, since no submissions were made by the Members, the recommendations of the committee were endorsed and it was resolved that the fiscal incentives 2017 would be put to vote on 26<sup>th</sup> May 2017.

**30<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Fire Female Bird Year corresponding to May 25, 2017**

Then, on 26<sup>th</sup> May 2017 corresponding to the 1<sup>st</sup> Day of the 4<sup>th</sup> Month of the Fire Female Bird Year, in the motion to adopt the Fiscal

incentives 2017, the Finance Minister submitted that according to the Constitution of the Kingdom of Bhutan, the Public Finance (Amendment) Act and the Judgment of the Supreme Court, it was understood that the Government had the prerogative to declare fiscal incentives and following the precedence of 2010 and 2013, the Cabinet had submitted the Fiscal Incentives 2016 as a report. He further submitted that, however, due to the differences in interpreting the law between the cabinet and the National Assembly, the House after a long discussion unanimously agreed to adopt the Fiscal Incentives 2016 as a money bill and considering the present and future betterment of the country, he urged the Speaker and the House, to support in passing a resolution stating the implementation of the Incentives from 2016.

Accordingly, the Speaker in his reminder before the adoption of the fiscal incentives, stated that although the House had declared the fiscal incentives 2017 as a money bill, it was in the opinion of the House whether to support the Finance Minister's motion or not regarding the implementation. He further stated that, the House could not pass a resolution on any matter except in accordance with laws. He added that the House must refer the precedence and relevant laws before taking any decision.

On this, few members including the Opposition Leader submitted that, the Fiscal Incentives were given primarily to foster private sector development and to stimulate economic growth and as the House declared it as a money bill, it must be adopted in the same session. He further stated that, if the fiscal incentives were to be adopted as a money bill, it was important to follow the due legislative process of passing money bill and for the purpose of better debate and for

streamlining the procedure for future, instead of voting on the bill, submission was made for the bill to be deferred to a later date.

Moreover, they submitted that, there was a need to have a separate session to deliberate on the inclusion of the three-year tax holiday on the small rural enterprise and the free one-hundred unit electricity to rural homes in the fiscal incentives. On this, a member submitted that, it was very important to adopt the fiscal incentives as announced by the government and also to have a further discussion to establish a proper procedure for future.

Therefore, the government in its clarification mentioned that, the Constitution of the Kingdom of Bhutan, the Public Finance Act, and the Supreme Court's Judgment allowed the government to grant fiscal incentives and although the tax and fiscal incentives were different, the government reported the fiscal incentives to the Parliament to make it consistent with the Constitution and the existing laws and also apprised the House to adopt the same as declared as a money bill. And with regard to the implementation, it was informed that, the government would consult the Ministry of Finance and other relevant agencies and come up with a way forward including the Fiscal Incentives of 2010 and 2013 which were given through a notice.

The government further submitted that, except for the small lapses during the discussion due to being a young democracy and with the differences in interpreting the laws, there was no issue regarding the purpose and objectives of the fiscal incentives. If the fiscal incentives were to be adopted as a money bill, considering the challenges to be faced in the implementation, the government also seconded for deferment.

Following that, the House directed the Minister for Finance to submit the application of deferment of the fiscal incentives to the Speaker in writing and conduct necessary meetings and arrangements and also be accountable for the same. With majority support through show of hands, the House was adjourned leaving the fiscal incentives 2017 for adoption after few days.

**1<sup>st</sup> Day of the 4<sup>th</sup> Month of the Fire Female Bird Year corresponding to May 26, 2017**

On 11<sup>th</sup> Day of the 4<sup>th</sup> Month of the Fire Female Bird Year corresponding to June 5, 2017, the deliberation was continued. The member in-charge of the bill, the Minister for Finance in his motion for adoption, submitted that although the government adhering to the Constitution of the Kingdom of Bhutan, the Public Finance (Amendment) Act, and the Supreme Court's Judgment presented the fiscal incentives 2017 as a report along with the budget on 8<sup>th</sup> May 2017. However, the House had declare it as a money bill. He further submitted that, despite the fact that a special committee was formed to address the challenges regarding the implementation, they did not have any new point other than the points contained in the earlier report. He urged the House to adopt the fiscal incentives 2017 as a money bill considering the interest of the present and future.

Subsequently, the Speaker stated that the House declared the fiscal incentives as a money bill, and except for the retrospective application of its implementation, the house arrived at consensus to the merits of the bill. As the implementation date was to be with effect from 8<sup>th</sup> May 2017, it required no deliberation on the chapters and sections unlike other bills. He further reminded that, the bill need not be deliberated as a whole considering time constraint since

the deliberation on the fiscal incentives in the National Council was scheduled on 6th June 2017.

However, while seeking the opinion from the member from constituency regarding the Rules of Procedure, he opined that since the disagreement in the House was regarding the date of implementation and as the new bill stated the date of implementation on the date of tabling of the bill, the bill need not be deliberated chapter and section wise. He further added that, if the House deliberated on the bill, the legislative procedure did not allow the bill to be voted on the same day of the debate and hence he recommended the bill be voted.

While seeking opinion from other members before the adoption, few members including the member from Gangzur-Minje constituency opined that although the fiscal incentives had to be supported, incentives were already granted and there was one year and eight months difference between the date of adoption. Hence it was important for the government to clarify, so that the general public did not misunderstand that the legislatures were not following the due process of law. The discussion on 26th May took place only to decide whether the bill was a money bill or not and there was no discussion on the merits and provisions of the bill. As the money bill was being tabled only today, voting without any discussion would be in violation of the law.

Moreover, the purpose for the bill to be presented as a money bill was to assess the appropriateness of the standards of the imposition, deduction, or exemption of taxes and hence it was vital to deliberate chapter and section wise like other bills. And since the section 1 of the first chapter had paragraph A, B, and C there was no need for section 2 under chapter 1 and if the section 2 of the chapter 1 had to

be retained, the whole section needed to be rephrased. Further, the free one hundred unit electricity for rural homes and the deductions given to the power corporation by the government also fell under fiscal incentive and it was important to provide the date of expiry.

Similarly, although the government presented the fiscal incentives as a report, due to the differences in interpretation of law between the cabinet and the National Assembly and since after the discussion it had been declared as a money bill, there need not be much deliberation except to follow the law and if there was any doubt regarding its legality, it was important to review from the very first instance.

On this, the Cabinet led by the Foreign Minister on behalf of the government submitted that the government exercised its prerogative in adherence to not only the Constitution of the Kingdom of Bhutan, the Public Finance Act, and the Supreme Court's Judgment but also sought the legal opinion of the Attorney General. The government chose to report to the Parliament hoping to establish better procedure for the future, and if the prerogative did not lie with the government, the government reminded the House to re-think on why the relevant provisions on the fiscal incentives in the Sales Tax, Customs and Excise Act of the Kingdom of Bhutan 2000 and the Income Tax Act of the kingdom of Bhutan 2001 were not amended, while deliberating on the Public Finance (Amendment) Act of Bhutan 2017.

Further, the government recommended that, the House could seek the Supreme Court's interpretation on the legality of the fiscal incentives granted in the past and submission was made that, the free hundred unit electricity for rural homes could not be included in the fiscal incentives as it did not fall under tax.

On this, the Speaker reminded that the House must support the adoption considering the interest of the general public and instead of debating and pointing fault at the previous or present government on the fiscal incentives, the House could seek opinion from the Supreme Court on its legality. And when the bill was put to vote, out of 42 members present and voting; 31 voted 'Yes', 10 voted 'No' and with 1 'Abstaining', the fiscal Incentives 2017 (Money Bill) was passed with the majority support. The voting result annexed in **Annexure X**.

Subsequently in the dissenting opinion, the member from Lamgong-Wangchangng constituency and the opposition leader submitted that, although the intent of fiscal incentives were planned for five years, the section 3 under chapter 1 only provided the incentives for three years and due to section 2 under Chapter 1, they could not vote for the bill.

In his reply, the member in-charge of the bill, the Minister for Finance submitted that, in the section 2 under chapter 1, instead of 8<sup>th</sup> May 2017, the implementation date was stated as 'it shall start from the date of financial operation' since there were lapses in the implementation as the half of the incentives of 2010 were availed and the remaining half were not. With this, the deliberation on the fiscal incentives 2017 was concluded.

#### **18. Questions Hour: Group B - Questions asked to the Minister for Education, Minister of Works and Human Settlement and Minister for Foreign Affairs.**

The Speaker informed the House that there was one question for Written response and five questions for Oral responses. He informed that after the questions had been asked and answered, supplementary



questions would be permitted at the end considering availability of time.

1. The Member from Drukjeygang-Tseza constituency in his question to the Minister for Education, asked the government on its programmes and plans for the schools to improve the national language, considering its importance.
2. The Member from Dokar-Sharpa constituency in her question to the Minister for Work and Human Settlement, asked the policy difference between Paro Thromde and the Rural Development Project and on the plans and programme of the project.
3. The Member from Panbang constituency in his question to the Minister for Education mentioned that, the precious gift bequeathed to us by our hereditary monarchs was free education and the Minister for Education stated that the issues and challenges in schools were mainly faced in schools which were not central schools. He asked about the policies and plans of the Ministry to tackle the problem faced in the non-central schools.
4. The Member from the North-Thimphu constituency in his question to the Minister for Education submitted that, the media had been informing that the certificates from the Sikkim Manipal University (SMU) would not be recognized by the Royal Civil Service Commission to sit for its exams and caused huge distress to the parents and students and also faced criticisms. He asked about the opportunities such students would have in the Royal Civil Service Examinations and how to solve the issue for the students currently studying in the university.
5. The Member from South-Thimphu constituency in his question to the Minister for Works and Human Settlement mentioned

that, the Ministry had worked hard for the amendment of the Local Government Act and there had been lots of discussions on establishing the Dzongkhag Thromde and Dzongkhag Yenlag Thromdes in all the twenty Dzongkhags. He mentioned that, the general public was confused and disturbed after the supreme court's writ declaring the establishment of Dzongkhag Thromde and Dzongkhag Yenlag Thromdes unconstitutional in certain Dzongkhags. He asked if the Dzongkhag Thromdes and Dzongkhag Yenlag Thromdes would be established and the plans on its establishment would be in accordance with law.

6. The Member from Dophuchen-Tading constituency in his question to the Minister for Education submitted that, the history of Bhutan for classes 4 to 8 was taught in dzongkha. However, with complaints from teachers and parents the subject was again taught in English and moreover, the excessive work load on the dzongkha teachers and with limited capable dzongkha teachers along with the difficulties stated by dzongkha expertise, it was again taught in english. However, since the National Council had strongly recommended the Ministry to teach the subject in dzongkha without respecting the difficulties and worries of the citizens, he asked the Minister to comment on the same for the interest of the country and the citizens.
7. The Member from Bji-Katsho-Uesu constituency in her question to the Minister for Education submitted that, although the government had identified and rendered highest priority to the education, due to extra burden the teachers required to carry, the quality of the education was hampered in the country. She questioned the current workloads of the teachers and the measures taken by the government to overcome such issues.

8. The Member from Nyisho-Sephu constituency questioned the Minister for Education regarding the policies on correction of the minor students. The students should be transferred when a minor student was caught for substance abuse instead of terminating from the school. He justified that, most of the students use controlled substance for the sake of enjoyment with friends and not necessarily because they were addicted to certain drugs.

**1<sup>st</sup> Day of the 4<sup>th</sup> Month of the Fire Female Bird Year corresponding to May 26, 2017**

***Note:** Answers and deliberations for the above mentioned questions and the written reply asked from the Minister for Foreign Affairs by the member from Nanong-Shumar provided separately in the verbatim book published for reference.*

## **19. Resolution on the Third Reading of the Bhutan Information Communications and Media Bill 2017**

In his motion for the third reading of the Bhutan Information Communications and Media Bill 2017, the chairperson of the legislative committee (Member from Tashichhoeling constituency) submitted that, the first and second reading of the bill was held in the eighth session and bill was referred to be reviewed by the legislative committee according to the due legislative procedure. He added that, accordingly the committee conducted consultative meetings with relevant agencies and prioritized the review mainly on the penal provisions and changed into civil offences. He justified that a spiritual country like ours could not afford to lock every offender behind bars, instead allow them to pay fine in lieu of their offences and encourage them to lead a better life. The committee's recommendation annexed in **Annexure XI**.

Accordingly, during the deliberation, some of the members pointed that the objective of the bill was not clear and after a thorough discussion, the House directed the committee to consult the experts from the Ministry and report in the same sitting.

Subsequently, another member opined that the Bhutan Information Communications and Media Authority could be governed by one of the existing organizations under the Ministry of Information and Communications since the establishment of number of authorities under the bill would compromise the wealth of the country and create human resources hurdles. On this some of the members stated that, although the establishment of number of authorities would create hardships, since the Bhutan Information Communications and Media Authority was already in place and as the functions and accountabilities were different from the Ministry, it was very definite to establish the same under the bill.

On the recommendation to replace Bhutan Information Communications and Media Authority appellate tribunal with appellate board, a member of the committee concluded to keep as ‘the appellate authority’ as in the draft which would help the appellants appeal directly to the High Court instead of undergoing a long procedure and the House unanimously supported the same. Similarly, few members recommended amending the ‘media commission’ as ‘media council’. They justified that, naming it as a media commission would denote it higher than the Bhutan information communications and media authority and at the same time it might also hamper the status of the existing commissions and the House unanimously amended it as ‘media council’.

Then, regarding the chairperson's justification on recommending the penal provisions to amend as civil offence, other members in support opined that it was in line with the country's principle of gross national happiness and had no reservations.

On this, after expressing his concerns over producing better laws that could meet its objectives, the Speaker appointed a special committee of twelve members adding the Minister for Information and Communications, the Minister for Economic Affairs, and member from Khar-Yurung constituency to the legislative committee to review the penal provisions of the draft bill in line with the Penal Code of Bhutan and also to review the appropriateness of the term 'rules and regulations' used by the committee in its recommendation.

And with the directives to report the same to the House on Monday's sitting the deliberation was concluded.

**8<sup>th</sup> Day of the 4<sup>th</sup> Month of the Fire Female Bird Year corresponding to June 2, 2017**

Then, according to the directives of the House, on 05.06.2017 the special committee in its report submitted that, out of 51 recommendations on the fines and penalties submitted by the legislative committee, the special committee amended 38 recommendations keeping 13 recommendations as it was and during the continuation of the deliberation, the House passed most of the recommendations as reported by the special committee.

However, regarding section 448, the committee recommended to put the penalty where 'a person who knowingly cause or intend to cause damages to ICT and Media facilities resulting in service disruption and has impact on service providers and clients', in the

rules and regulations. However, few members opined that it was inappropriate and recommended to maintain the same as in the draft bill. Accordingly, the House passed the same as in the draft bill.

After a thorough three day discussion and with unanimous support of the House, the Speaker reminded the House that the Bhutan Information Communications and Media Bill 2017 be adopted through voting on 06.06.2017 and concluded the third reading of the bill.

**11<sup>th</sup> Day of the 4<sup>th</sup> Month of the Fire Female Bird Year corresponding to June 5, 2017**

Subsequently, on 6th June 2017 corresponding to the 12th Day of the 4th Month of the Fire Female Bird Year, the member in-charge of the bill (Minister for Information and Communications) submitted that, regarding the recommendation to put clear objectives in the Bhutan Information Communications and Media Bill 2017, the Legislative Drafting Manual 2016 had left the objectives as optional and since the objectives were mentioned in the preamble of the bill there was no need for separate section on objectives. And on his motion to adopt the Bhutan Information Communications and Media Bill 2017, out of 41 members, 40 voted ‘Yes’ and with 1 Abstaining, the bill was adopted with the support of majority. The voting result is provided in **Annexure XII**.

Following that, the Speaker acknowledged the Ministry of Information and Communications for submitting their well drafted bill and also the legislative committee for conducting thorough review and consultative meetings and also for profound clarifications during the deliberation. And with the supplications that the bill may

be of huge help to the information and communications enterprises and the general public, the third reading of the bill was concluded.

**12<sup>th</sup> Day of the 4<sup>th</sup> Month of the Fire Female Bird Year corresponding to June 6, 2017**

## **20. Question Hour: Group C- Questions asked to the Minister for Economic Affairs and the Ministry for Labour and Human Resources**

The Speaker commenced the Question Hour by informing the House that there were one question for written response and four questions for oral responses. He informed that the questions would be asked one by one and supplementary questions would be entertained at the end if time permitted.

1. The Member from the Kabji-Talo constituency questioned the Minister for Economic Affairs that, Barp Gewog under Punakha Dzongkhag was experiencing power disruption as well as low power voltage due to sharing of lone transformers, in particular to Gamakha and Eusakha Chiwogs comprising of over 108 households. He asked if there was any plan to provide additional transformers to the Gewog.
2. The Member from Radhi-Sakteng constituency in his question to the Minister for Labour and Human Resources asked that the contract employment had become very popular and in the year 2016, over 1300 students had been recruited under the contract employment. He questioned the Minister on the reasons of contact employment and the possibilities of regularization of their services upon gaining experience.
3. The Member from Bomdeling-Jamkhar constituency in his question to the Minister for Economic Affairs asked that, out of seven recommendations submitted by the economic development

and private sector committee during the 8th session, to make a policy on the non-tariff tourism was the most important one. He asked the Minister to update on the status of the formulation of non-tariff tourism policy.

4. The Member from Panbang Constituency in his question to the Minister for Labour and Human Resources asked that, the government in view of its potential benefits had done a lot of ground works during the 10th plan to accede to the International Labour Organization, although nothing had been done since then. He asked the Minister to inform the House on the government's position on Bhutan's membership to the International Labour Organization and the status of the accession works.

**8<sup>th</sup> Day of the 4<sup>th</sup> Month of the Fire Female Bird Year corresponding to June 2, 2017.**

***Note:** Answers and deliberations for the above mentioned questions and the written reply asked from the Minister for Work and Human Resource by the member from Radhi-Sakteng provided separately in the verbatim book published for reference.*

## **21. The Resolution on the Third Reading on the Anti-money Laundering and Countering Financing of the Terrorism Bill 2017**

During the deliberation in the National Assembly on the third reading of the Anti-Money Laundering and Countering Financing of Terrorism Bill 2017 held on the June 5, 2017 corresponding to the 11<sup>th</sup> Day of the 4<sup>th</sup> Month of the Fire Female Bird Year, the Deputy Chairperson of the Good Governance Committee (the Member from Nyisho-Sepchu constituency) submitted that, following the directives of the House the committee held several meetings with relevant officials from the Royal Monetary Authority on the Anti-Money



Laundering and Countering Financing of Terrorism Bill 2017. Although the committee had submitted its recommendations and amendments on the bill to the House, he urged the House to conduct thorough deliberation to make the bill a very effective one.

Subsequently, when the House commenced its deliberation, few members led by the member from Panbang constituency submitted that the legislative drafting manual required the Bill to consist of objectives and recommended if the same bill could have objectives, salutations and supplications similar to other bills. However, few other members submitted that, since the objective was highlighted in the preamble and had no difference in the meaning, while a bill can exclude the objectives, there would be no harm in including the salutations and supplications.

On this, the House stated that it was good to include the salutations and supplications in a bill. However, since the drafting manual had left the objectives as optional, the House allowed the committee to decide based on its importance. The House adopted most of the sections as recommended by the committee along with few new sections and amendments. The House after deliberating on the bill from 05.06.2017 to 07.06.2017 concluded the deliberation on the bill. The committee's recommendation are provided in **Annexure XI**.

**13<sup>th</sup> Day of the 4<sup>th</sup> Month of the Fire Female Bird Year corresponding to June 17.**

Subsequently, on June 8, 2017 corresponding to the 14<sup>th</sup> Day of the 4<sup>th</sup> Month of the Fire Female Bird Year, following the motion of the Member In-Charge of the bill (Minister for Finance) to adopt the Anti-Money Laundering and Countering Financing of Terrorism

Bill 2017 as per the legislative procedure, the 44 members in the House unanimously passed the bill. The voting result are provided in **Annexure XIII**

## **22. Resolution of the Motion on Ensuring Meaningful Engagement of the National Assembly of Bhutan on the Sustainable Development Goals (SDGs)**

The Speaker expressing the importance for the House to be aware of the objectives of the SDGs, directed the chairperson of the special committee to move the motion on the same. The chairperson of the special committee (the Member from Khamdang-Ramjar constituency) submitted that, the House in its two of the preliminary sittings decided to deliberate on the objectives of the SDGs and as the documents were already submitted, moved the motion for the deliberation on SDGs.

The Member from Nesho-Sephu constituency submitted that, Bhutan was a member country of the United Nations and followed the principle of Gross National Happiness and as the country had been practicing the SDGs in the Five year plans, he seconded for the deliberation on the motion.

Similarly, the Member from the Lamgong-Wangchang constituency submitted that most of the countries adopted SDGs only for the purpose of present times leading to chaotic future and reminded the House that, Bhutan should not adopt SDGs as a onetime goal but must also sustain it for the future generations since Bhutan had been playing a leading role for the sustainable development since 1972. He added that, during the end of the Millennium Development Goals of 2000-2015, the meetings of the UN passed the resolution to

prioritize on the SDGs and according to a research, out of 169 targets of the sustainable development goals, 143 were directly relevant to Bhutan and he urged the Parliament vis-a-vis agencies and the citizens to support the SDGs.

He further submitted that, since the government was already working on the goals and if the Parliament could support the same, the country would continue to get support from rest of the world to lead in sustainable development strategies and acknowledged the Speaker for accepting the motion on the SDGs and seconded the motion.

Subsequently, the Speaker directed the Chairperson of the special committee to report on the motion. The Chairperson of the committee submitted that, there was an immutable linkage between the Gross National Happiness and the Global Sustainable Development Goals and must ensure meaningful engagement of the Parliament on SDGs by consolidating the national development goals and the SDGs. He further submitted that, bringing SDGs into the Parliamentary mainstream would help institutionalize Parliamentary efforts towards social equity, women's empowerment and good governance which formed the bedrock of democracy in Bhutan. The GNH vision and subsequent Royal Initiatives since 1974 and most recently the government's engagement on SDGs in the international arena had made it even more imperative for the Parliament as a key institution to complement the nation's collective efforts in fulfillment of global SDGs.

Moreover, he reported that the motion on the SDGs was following the result of the International Parliamentary Union meetings

participated by Bhutan in Dhaka, Bangladesh in 2016 and in Indore during the South Asian Speaker's Submit on the SDGs in 2017. He also reported that Bhutan as a source of the GNH philosophy and the miracles of inclusive development had created and identified the country as an early mover country in the SDG arena. Assessment conducted had signified that 143 of the 169 targets of the SDGs were relevant to Bhutan.

He added that 134 of those relevant targets had already been incorporated which underlined the core of the 11<sup>th</sup> five Year Plan and the remaining targets would be included in the next five year plans and thus, it further gave a reason for the Parliament to initiate and align its strategy on SDGs accordingly. Further, the 16th national key result areas of the 12th plan shared the same interface and constituents with the SDGs and successfully implementing the SDGs meant ensuring availability of adequate budget which was currently one of the biggest challenges for the Parliament. Although our parliamentarians continued to share various platforms on international level, very often we had to shrink the degree of our participation. Limitation of subject expertise and research materials in the Parliament was another impediment that risks the effective engagement of the House on SDGs.

The five recommendations made in a bid to bring the SDGs from the global to the local level were:

- a) Formally approve the standing committee of the National Assembly to engage on SDGs.
- b) Allot one day sitting during every parliamentary session for deliberation on SDGs.
- c) Ensure integration of SDG components in the next five year plan.

- d) Mobilize adequate budget and other resources to the National Assembly to facilitate the House's oversight role in relation to the SDGs.
- e) Institutionalize a system which would require all parliamentarians and parliamentary delegations visiting abroad on SDG related trips to report to the plenary of the National Assembly on SDGs for better understanding of the House on SDGs.

On that, the Speaker mentioned that Bhutan had been a member of the Millennium Development Goals from the year 2000 to 2015 and had produced very good results and following that there was agreement in New York where Bhutan again joined the Global Sustainable Development Goals from 2015 to 2030. The Speaker also reminded that since 1974 His Majesty the Fourth Druk Gyalpo had promulgated the profound philosophy of Gross National Happiness and as the third goal of the sustainable development was 'peace' which was also the principle of Gross National Happiness, Bhutan had been recognized as a leading country in the world when it came to conservation of environment.

In addition, under the wise leadership of the hereditary monarchs, Gross National Happiness has gained recognition in the world and Bhutan as a leading nation. Therefore, the Members of the Parliament and the people should be proud and be grateful to their Majesties the Kings. The Speaker reminded that the roles and responsibilities of the Parliament have been spelled out in Annexure four and the deliberate on the responsibilities of the National Assembly and recommend if any.

A few members including the Minister for Foreign Affairs and the Opposition Leader submitted that, with the profound principle of

Gross National Happiness born from our Fourth King, the Sustainable Development Goals had been already incorporated in our five year plans. Moreover as a result of being a member to the Millennium Development Goals from the year 2000 to 2015 and also for the Sustainable Development Goals from 2015 to 2030, they added that the development that had taken place in the country had been sustainable.

Further added that 143 of the 169 targets of the SDGs were relevant to Bhutan and 134 of those relevant targets had already been incorporated which underlined the core of the 11<sup>th</sup> five year plan. The remaining targets had been included in the 12<sup>th</sup> five year plan. The government already prioritized and started working on the special goals of Bhutan, goal one the abolishment of rural poverty, goal thirteen on the climate change and the goal fifteen.

They also recommended for the change of the name of the committee from ‘Core Unit Committee’ to ‘SDG Coordination Committee’ as the major function of the committee would be to deal with international organizations and urged to nominate members to the committee based on the experience of the subject matter.

On this, the Chairperson of the Committee clarified that, the ad-hoc Committee for the SDGs comprising of three members was formed following the preliminary meeting held for the finalization of the agenda to work on the matter before approving in the House.

Other members opined that, the three pillars of the SDGs - economy, society, and environment were also included under the four pillars of GNH and since Bhutan had been leading while framing the SDGs, it would be good opportunity for Parliament to make laws and review

policies based on the principle of SDGs. They also recommended the ad-hoc committee to incorporate the responsibilities and accountabilities of the committee in the recommendations submitted by the committee.

Similarly, rest of the members submitted that, the SDGs were not a new concept for Bhutan and it would only strengthen the goals of GNH and also ensure good governance, gender equality, and proportionate development. They also submitted that, the international institutions had been supporting the Parliament in fulfilling SDGs and the three special goals of the SDGs were also to be fulfilled jointly working with the international institutes.

Then, when the five recommendations of the committee was put for vote, out of 41 members present, 37 voted ‘Yes’, 2 voted ‘No’ and with 1 ‘Abstaining’, the motion was adopted and following that, the Speaker concluded the deliberation after announcing the dissolution of the ad-hoc committee. The voting result provided in **Annexure XIV**.

**14<sup>th</sup> Day of the 4<sup>th</sup> Month of Fire Female Bird Year corresponding to June 8, 2017**

## **23. Re-deliberation on Bills**

### **23.1 Resolution of the Re-Deliberation on the Recommendations submitted by the National Council on the Supplementary Budget Appropriation Bill for Financial Year 2016-2017 and the Budget Appropriation Bill for Financial Year 2017-2018**

There was no re-deliberation on the Supplementary Budget Appropriation Bill for Financial Year 2016-2017, since the National Council had no recommendation to the bill.

While re-deliberating on the seven recommendations of the National Council on the Budget Appropriation Bill for Financial Year 2017-2018, the first recommendation was to discontinue the Bhutan Children Parliament and to reallocate the budget allocated to the projects related to election in the interest of the society.

Few members seconded the recommendation by submitting that inclusion of youth in Politics would result in hurdles in future. Although the Election Act mandated the Election Commission to create awareness on democracy, including youth and minors in the politics, it was viewed to be unconstitutional.

It was further added that, a country should have only one constitution whereas, our country had two including the constitution of the children of Bhutan. They expressed that, since the Children Parliament was specifically discussing issues related to youth and students, they fear of arising Women's Parliament and Senior-Citizen's Parliament or so in future.

Similarly, they also expressed concerns over disturbances to the actual study hour due to the Children Parliament session and therefore seconded the National Council's recommendation to discontinue the Bhutan Children Parliament.

In the clarification from some of the ruling members including the Cabinet Ministers led by the Minister for Education submitted that, no complaints had been received from the Election Commission regarding the Bhutan Children Parliament, rather the parents and teachers had assured that it had been very enriching for their children. They also submitted that, the Children Parliament was held during the winter break and had no adverse affect on their academic sessions.



At the same time it did not include the youth into politics, rather it created awareness on the principles and functioning of democracy, equipped them with new ideas and helped them prepare for their future.

In addition, they submitted that the preparation of the youth was very important for strengthening the democracy as today's youths were the leaders of tomorrow. However, they urged for some time to review and study whether the Children Parliament had any impact on the politics. Therefore, the House directed the Ministry of Education, Election Commission and relevant agencies to conduct a thorough review and to present their review report in the 10th session.

The second recommendation 2.1 was to reconsider the budget allocated for the training of the local government leaders. It stated that a foreign funded budget of Nu. 8.5 million would be insufficient to give quality based training on leadership and management for the 205 Gewog leaders.

In his clarification on the recommendation 2.1, the Minister for Home and Cultural Affairs submitted that the European Union would be donating Nu. 20 lakhs in October and the budget would be sufficient.

The recommendation 2.2 was for the government to follow the Charter, since there was confusion in the Culture Trust Fund, where the Culture Trust Fund was initiated in 1999 to utilize when the fund accumulated to USD 1 million and it was supposed to reach the target amount in October. However, according to the Charter of the Culture Trust Fund, the fund should be utilized only when its accumulation reached to USD 5 million.

In his clarification on the recommendation 2.2, the Minister for Finance clarified that USD 1 million was a typo error and it was supposed to be USD 5 million in the report.

The recommendation 3 was to review the rules and regulations on the black topping of the Gewog roads, since most of the roads had been damaged and it needed a quality blacktopping including sufficient budget for the same.

In her clarification on the recommendation 3, the Minister for Works and Human Settlement submitted that, most of the Gewog roads were farm roads and the road department while taking over the roads from the contractors, the roads were built with no drainage, few very narrow, and some which required proper finishing. She added that, since the rules and regulations of black topping mandated the road to have 25 mm black topping which was at par with the specification for highways and needed no additional budget.

She further added that, the House was deliberating as if all the roads had been damaged, while only one or two roads were in need of repair. She assured to repair the farm roads from the government reserve fund.

The recommendation 4.1 was to allocate sufficient budget to the Bhutan Broadcasting Service so that the broadcasting service could air its channel one and two in the remote areas as well.

In his clarification on the recommendation 4.1, the Minister for Information and Communications clarified that, a South Asian Satellite had been launched recently. Bhutan Broadcasting Service spending over Nu. 150 million was still working for airing BBS channel 1 and 2 in all areas of the country.

The recommendation 4.2 was for the government to come up with policies and budget, so that the rural areas with no internet connection could avail government to citizen services through mobile phone, which were available in central Dzongkhags and towns where there was internet connection through information and communications.

In his clarification on the recommendation 4.2, the Minister for Information and Communications clarified that, the Ministry was in the process of working on the issue and had also installed internet hot spot as a trial in the Dzongkhags and if the results were positive it could also be installed in the Gewogs and rural areas so that everyone could avail government services online.

The recommendation 5 was for the government to conduct thorough research on the numbers of hot springs and mineral spring waters in the country and to allocate budget to preserve and improve its usages. On this, the Minister for Health clarified that, the hot springs and mineral spring waters were always preserved by the concerned Dzongkhags and Gewogs with budget support from the government and he assured to continue the same.

The recommendation 6 was for the government to avoid making unnecessary expenditure to the central schools and to provide lunch for schools other than central schools. The rationale was that, carrying packed lunch along with heavy bag load of books could possibly harm the health and growth of small children.

In his clarification on the recommendation 6, the Minister for Education reported that, the 60 central schools were benefiting almost 50,000 students and upon the requests made by parents even the day scholars were provided with nutritional lunch with fortified rice from

Bangladesh, uniform, and other accessories at par with boarding students.

He added that, in the first one or two financial years of the 12<sup>th</sup> five year plan, other 60 central schools would be established and every student would be enjoying all other facilities including lunch.

The recommendation 7 was for the government to put a separate bill on the establishment of Stabilization Fund and Endowment Fund for Crop and Livestock Conservation, since the purpose and its consequences of the two were not clear and was also not in accordance with the laws. On this, the Minister for Finance submitted that, Stabilization Fund and Endowment Fund for Crop and Livestock Conservation were initiated following sections 149 and 152 of the Public Finance (Amendment) Act of Bhutan 2012, which provided the prerogative to the government. The Stabilization Fund would have major impact on tackling economic crisis in future as it was initiated to fulfill economic, finance, and investment goals.

Regarding the initiation of Endowment Fund for Crop and Livestock Conservation, he submitted that, the fund was initiated with first investment of Nu. 50 million to support the citizens depended on the farming and livestock. During difficult times such as harms caused by wild animals on the crops, the government could pay compensation to the affected farmers. With this, the re-deliberation on the recommendations submitted by the National Council on the Supplementary Budget Appropriation Bill for Financial Year 2016-2017 and the Budget Appropriation Bill for Financial Year 2017-2018 was concluded.

**18<sup>th</sup> Day of the 4<sup>th</sup> Month of the Fire Female Bird Year corresponding to June 12, 2017.**

## **23.2 Resolution of the Re-deliberation on the Local Government Pay Revision Report.**

During the re-deliberation on the four recommendations made by the National Council on the local government pay revision report, recommendation 1 was to amend the title as Pay Revision Bill instead of Pay Revision Report and on that the House arrived to consensus to follow it in future for all Pay Revisions.

The recommendation 2.1 was to entitle the local government with porter pony benefits similar to the public servants and to revise the current porter pony rate for the interest of the people providing porter pony services. On this, the Minister for Finance submitted that, the porter pony was not entitled as per the Local Government Entitlement Act. However, the matter could be considered if the Act got amended in future.

The recommendation 2.2 was to provide adequate travel allowance to the lower level civil servants and the local government leaders below the post of Mangmi, since Nu. 6/KM was insufficient to meet the costs and to revise the DSA to all the government employees since the current amount of both the DSA and TA was not adequate to meet the travel expenses. On this, the Minister for Finance in his clarification submitted that, in general the entitlements were based on the position and level of the officials and likewise the Civil Service Act and the Bhutan Civil Service Rules and Regulations also had the same differences based on the position and assured to considering the possibility of the issue in future.

The recommendation 3 was to revise the communication allowance of the Tshogpas, as the monthly communication allowance of Nu. 100

might not be sufficient while discharging their duties based on the directives of the Gup and Mangmi. On this, the Minister for Finance clarified that, in the civil service, although the officials spend their own money for official communication only the posts of Director and above were entitled for the communication allowance, compared to which the communication allowance of Nu. 100 to the Tshogpas was very reasonable to start with and also assured to consider the matter in future revisions.

The recommendation 4 was to give the local government the choice to receive money in lieu of leave, if they did not use their earned leave provided in section 15 under chapter 3 of the Entitlement Act similar to the civil servants since it was not reflected in the revision report. The Minister for Home and Cultural Affairs in his response stated that, the Ministry had drafted the rules and regulations to the Act and it would be implemented upon the endorsement by the Cabinet. With this, the re-deliberation on the local government pay revision bill was concluded.

**18<sup>th</sup> Day of the 4<sup>th</sup> Month of the Fire Female Bird Year corresponding to June 12, 2017**

### **23.3 Resolution of the re-deliberation on the Fiscal Incentives Bill 2017**

The Speaker reminded the House to be aware that, the National Assembly in adherence to the Constitution of the Kingdom of Bhutan, the Public Finance (Amendment) Act, and the Supreme Court's Judgment had declared the Fiscal Incentives Bill 2017 as a Money Bill. After the deliberation the House adopted the same with majority support from 31 members out of 42 during the voting and was transmitted to the National Council as mandated by the Constitution of the Kingdom of Bhutan.

Out of the four general reservations raised by the National Council, one of them was the ability to achieve the objective of balanced regional development and reduction of gap between the haves and have-nots. The government in clarification of the doubt explained that Fiscal Incentives were introduced in line with the objective of the 11th Five Year Plan and the Economic Development policy. Further, to achieve the objective of balanced rural development and to reduce the gap between the haves and have-nots, the government introduced the Gewog development fund, provided each chiwog with one power tiller each, waived off interest for loans on micro, subsidized 100 units of power, established agricultural shops and some industries, widening the east west highway, introduced tourism and established colleges in the Eastern Dzongkhags.

Further doubts were also raised on the ability to meet current expenditure from domestic revenue and its impact on self-sufficiency due to increasing foreign debt. In response, the government explained that although the introduction of the fiscal incentives would have some impact on the domestic revenue, it should be considered as an investment for the future. The tax exemption would encourage the development of the private sector further contributing to the economic development of the country. The House was informed that in the beginning of the first year of the 11<sup>th</sup> FYP, the total outlay targeted was Nu. 213 million which amounted to Nu. 221 million by the end of the year, which indicated that the plans were met as planned. It was pointed out that the people should bear in mind that the Fiscal Incentives had been introduced to stimulate economic development, increase domestic revenue and generate employment which would further contribute to achieve self-sufficiency.

Reservations were also made regarding introduction of Fiscal Incentives 2017 based on the Economic Development Policy 2017 which had not been reviewed and it was also pointed out that there were some inconsistencies between the two. To this, the government reassured that the economic development policy was inclusive of agriculture, health, education, transport, hydropower and other programs developed in consultation with different agencies, corporation and private sectors and would only benefit the country.

The Member from Drametse-Ngatsang constituency suggested that the reservations and recommendations raised by the National Council should be decided on by a show of hands since the Fiscal Incentive (Money Bill) had already been passed based on majority vote although the opposition did not support it. To this, the Speaker clarified that fiscal incentives was deliberated for three days and it was agreed that tax holiday for cottage and small industries was to be included in the incentive. Therefore, questions raised by the two members on its non-deliberation were not valid and that it was important to check the legality of the questions raised.

Some members pointed out that the Fiscal Incentive (Money Bill) was passed in line with the Constitution of Bhutan and the decisions of the Supreme Court. They said that the implementation of the Bill would not only generate employment but would also greatly benefit the rural people and therefore expressed their support to the same. It was also submitted that the as per the Constitution of Bhutan and the ruling of the Supreme Court on Money Bills, the National Council can only submit recommendations to the Money Bill. Therefore, the National Assembly should deliberate on the recommendations made by the National Council and decide to accept or reject accordingly.



Further, the National Assembly endorsed the Fiscal Incentives Bill as Money Bill in accordance with the law and was then transmitted to the National Council. Since, the National Council also passed the Bill based on majority vote it would not be appropriate to repeal the Bill. The House was reminded to carefully consider the deliberation as repealing the Bill would be unconstitutional. In addition, it was submitted that the submission of ten years tax holiday for small and cottage industries be retained as in the Bill.

Some members expressed their concern regarding the submission made by the National Council to repeal the Fiscal Incentive Bill which was a Money Bill and it was submitted that to avoid such confusions in future, the procedures should be clearly communicated. The Members suggested that the recommendations made by the National Council be deliberated on individually.

Further, the deliberation on the Fiscal Incentive revolved around the issue if it being a Money Bill and the date of its enforcement. It was pointed out that if the 57 Sections in the Bill was deliberated in detail, such contentions could have been avoided. Moreover, the House was also reminded the basis for questioning the National Council decision should be considered.

The Opposition made it clear that they did not support the Bill since the Sections of the Bills were not deliberated in detail and without any clarity the House went on to vote on the Bill while deliberating to remove Section 2, Chapter 1 of the Bill. The opposition expressed their dissatisfaction in not being able to deliberate the Bill in detail due to which they could not extend their support.

The Speaker reminded the House that the Fiscal Incentive, initially submitted as a report by the government deliberated on as Money Bill for three days on general consensus considering the future benefit. In addition, the House also discussed its enforcement date and out of 42 members present and voting 31 voted “Yes” and passed the Bill. The Speaker also reminded that it was crucial for the media to carry out thorough research on the matter when disseminating information to the public. In conclusion, the Speaker apologized for having to continuously interrupt the discussion to get to a consensus.

The Fiscal Incentive 2017 (Money Bill) was passed without any amendment.

**18 Day of the 4<sup>th</sup> Month of the Female Fire Rooster Year corresponding to June 12, 2017**

## **24. Resolution of the Joint Session on the Performance Audit Report by the Public Accounts Committee**

The Secretary General read out the Royal Kasho of His Majesty the King to convene the Joint Sitting of the House. The Royal Kasho attached in **Annexure XVI**

The Speaker declared the Annual Royal Audit Authority Report 2016 (in Dzongkha and English), Performance Audit Report of Tourism Sector 2016, Performance Audit Report on Business Opportunity Information Centre, Performance Audit Report on School Feeding Programme, Performance Audit on Employment Generation and Promotion Initiative and Performance Audit Report on Provision of Patient Meals as public documents.

Following the declaration, the Chairperson of the Public Accounts Committee, the Member from Kabji-Talo constituency submitted

a brief report on the Performance Audit of Business Income Tax, Performance Audit of Disaster Management in Bhutan, Performance Audit of Gewog Development Grant, Joint Performance Audit of Punatsangchhu Hydroelectric Project Authority-I, IT Audit Report on Effectiveness of Controls in Public Expenditure Management System and Implementation status of the resolution of 7th Session of the Second Parliament.

The Committee also submitted the reports on responses received from the agencies on the recommendations made by the RAA and the report of consultation meetings held with concerned agencies.

#### **24.1. Review Report on Performance Audit of Business Income Tax (BIT) Administration.**

The Performance Audit on BIT Administration was conducted covering the period from 2009-2013. The audit focused mainly on BIT, some issues relating to licensing policies, sales tax and customs duty had also been incorporated. However, the audit did not carry out a detailed review of tax assessment and collection especially on lapses and irregularities. BIT payers constituted 31.68% of total taxable entities of 89,471 while Personal Income Tax (PIT) payers constituted 68.01% and the rest a meager 0.305% were Corporate Income Tax (CIT) payers. The collection of taxes however, showed a different scenario whereby CIT payers feature as the highest contributors followed by BIT and PIT payers.

In the year 2013, of the total tax revenue, BIT represented 11.02%. The year to year growth percentage of business units and tax revenue indicated fluctuating trend, although tax revenue increased by 152 % from Nu. 707.30 million in 2009 to Nu.1,783.89 million in 2013.

During the same period, BIT contributed over Nu. 6,590.856 million to the national exchequer. The Tax as percentage of Gross Domestic Product (GDP) remained consistently around 15% from 2009-2013. The growth of BIT as a percentage to GDP although showing a growing trend, indicated that the contribution was not significant with only 0.52% increase in the last five years i.e., from 1.06% in 2009 to 1.58% in 2013.

As per the Audit Review Report, it was found that four recommendations had been fully implemented, six partially implemented and one that didn't require any action. The Committee reviewed the main performance report, the response from agencies, action taken report, further responses from the RAA and made additional recommendations.

## **24.2 Review Report on Performance Audit of Disaster Management**

Considering the geophysical nature of the country, natural calamities such as Earthquake, Glacial Lake Outburst Flood (GLOF), Flash Flood, Windstorms, Forest Fire and Landslides pose varying degrees of threats to lives and livelihood of the people of Bhutan. Thus, disaster managers must be confident in their function, training and capacity to ensure public safety. As per Disaster Management Act of Bhutan 2013, "Disaster Management meant a continuous and integrated multi-sectoral process of planning, organizing, coordinating and implementing measures aimed at (a) preventing and reducing disaster risk; (b) mitigating severity of disaster; (c) capacity building; (d) emergency preparedness; (e) effective response to disaster; (f) effective search, rescue, evacuation and relief operation; and (g) recovery and reconstruction activities."

The audit was conducted by RAA to find out whether the concerned disaster management agencies had made their efforts to ensure that the country in general was safe and resilient against potential disaster facing the country. Further, the study reviewed the use of resources, legislation, institutional governance and coordination mechanism, contribution of major projects and programs on building disaster resilient community. The RAA found that the Disaster Management Act 2013 envisioned a strong legal framework and policy regime which is cross-sectoral. The initiative of government in the 11th FYP was to mainstream disaster risk reduction in their policies, plans and programs. Further, the concerned agencies were able to secure funds and other resources for disaster management from various countries and donor agencies. The Department of Disaster Management (DDM) as an implementing agency conducted several trainings, advocacy and awareness programs.

However, However, RAA found various deficiencies such as non-compliance to the critical provisions of the act, lack of effective coordination amongst the various agents, absence of hazard zonation maps and vulnerable assessment reports, lack of central database system, inadequate fire safety measures in Dzongs and Public buildings, non-establishment of Emergency Operation Centers (EOCs), inadequacies and lapses in funding arrangement and project management. Based on those findings, the RAA made 11 recommendations to reduce the risk of Natural Disaster. The Committee found that the DDM had submitted the Action Taken Report on time and all recommendations had been implemented. After reviewing the responses from the Agencies and further comments made by RAA on the recommendations and consultative meeting with the DDM, the Committee had made recommendations.

### **24.3. Review Report on Performance Audit of Gewog Development Grant**

The committee reported that The Gewog Development Grant (GDG) was initiated by the Government to strengthen good governance and decentralization process at grass root level. Such initiative was started with an objective to promote “Wangtse Chhirpel” for all Gewogs. It had a budget allocation of Nu. 2.00 million per annum for each Gewog. It was maintained with Gewog budget under a separate financing item code in compliance with the “Guidelines of the Gewog Development Grant”.

It was reported that the RAA conducted the audit with overall objective to ascertain and report on the economy, efficiency and effectiveness in the use of GDG and to ascertain the achievement of its intended objectives. The RAA reviewed the programs and activities carried out under the GDG in 205 Gewogs.

Based on the findings, the RAA issued 9 recommendations out of which only one recommendation was implemented. The Committee after reviewing the responses from the Agencies, further comments made by RAA on the recommendations and consultative meetings with the relevant agencies, submitted that the government revisit the CD guidelines, as well as strengthen the monitoring mechanism at gewog level for activities funded by the CDG and also fix accountability for non-compliance of CDG.

### **24.4. Review Report on Performance Audit of Joint-Performance Audit of Punatsangchhu Hydroelectric Project Authority**

Punatsangchhu - I Hydroelectric Project was part of the 10,000 Megawatt (MW) initiatives taken in May 2008 by the Royal

Government of Bhutan (RGoB) and the Government of India (GoI) for accelerating hydropower development by 2020. As per detailed Project Report (DPR) prepared by Water and Power Consultant and Services (India) Limited (WAPCOS) in 2006, the estimated cost of the project was Nu.35,147.85 million for 1095 MW capacity to be completed by November 2015. The tariff of the power had been assessed as Nu. 1.03 per Kilowatt hour (Kwh) with an Internal Rate of Return (IRR) of 12.15 percent on capital employed. The estimated cost of the project had been revised (July 2015) to Nu. 93,755.78 million for the enhanced capacity of 1200 MW with estimated tariff and IRR at Nu. 2.70 per Kwh and IRR of 10.80 percent respectively. The completion schedule of the project had also been deferred.

The Performance Audit of Punatsangchhu Hydroelectric Project Authority-I for the period from DPR preparation stage till 31<sup>st</sup> March 2015 was conducted jointly by the office of the Director General of Audit, Central, Kolkata and the Royal Audit Authority as required under the Audit Act of Bhutan 2006. The performance audit focused on the causes of estimated cost overrun from Nu.35,147.85 million to Nu. 93,755.83 million and anticipated time overrun of more than three years. The Audit also examined whether adequate planning had been carried out for efficient and economic implementation of the project, if the award and execution of construction works were done economically and efficiently and if monitoring was adequate and effective for smooth implementation of the project.

Based on the audit findings and audit exit meetings out of the many recommendations made, 6 recommendations were not implemented, 6 recommendations were partially implemented. The committee has further made four recommendations after reviewing the responses

from the Agencies, further comments made by RAA on the recommendations and consultative meeting with PHPA management.

#### **24.5. Performance Audit Report on Information Technology Audit of Public Expenditure Management System.**

The Committee informed the House that The RAA conducted an audit on IT of Public Expenditure Management System (PEMS) with the objective to determine the existence, adequacy, and effectiveness of controls in the system in relation to public financial management of the Government. The audit also aimed to identify potential security risks that might open vulnerabilities in the system. The MoF initially developed Budget & Accounting System (BAS) a computerized system for sound financial management in the country and later it was upgraded to online web based system called (PEMS).

Further, given the importance of the IT, many government budgetary agencies adopted to computerize their main business operations or processes in order to enhance efficiency and effectiveness of service delivery. It was imperative to have adequate controls embedded in the PEMS to reduce risks of misrepresentation of financial statements, manipulation, frauds, errors, and other irregularities. The RAA based on the findings issued recommendation to improve the system, out of which ten recommendations had been implemented seven were being worked on. The Committee, based on the observations, submitted three recommendations.

#### **24.6 Implementation Status of Resolutions of the 7<sup>th</sup> Session of the Second Parliament on the Performance Audit Reports.**

The Committee reported that the 7<sup>th</sup> Session of the Parliament issued six resolutions pertaining to the performance audit reports presented



to the joint sitting by PAC on Audit of multilateral environmental agreements and on its compliances-October 2010, Report on the system audit of Hydroelectric Energy-January 2013, Environmental Audit Report on Timber Harvesting in Forest Management Units and Working Schemes-April 2014, Performance Audit Report on Chiphen Rigpel Project-July 2015, Public Debt Policy, Performance Audit for Food Services in Schools and Hospitals. Accordingly, the PAC followed-up with the concerned agencies as required and the Committee received and reviewed various documents on implementation status of the Resolutions of the 7<sup>th</sup> Session of the Second Parliament from the RAA, National Environment Commission, Ministry of Finance, Ministry of Economic Affairs and Ministry of Information and Communications.

- 1) During the deliberation by the House on the Performance Audit of Business Income Tax, some members observed that there was no clarity of business income tax. It was recommended that a provisional Technical Committee or an Expert Committee be established to register small, medium and large businesses for the purpose of studying and levying business taxes in a transparent and fair manner and to further prevent any tax evasion. Some members also said there was a need to look into possibilities and means to tax e-commerce which are on the rise and increase the supply of essential items. The House resolved that there was no need to establish an Expert Committee considering that Revenue Intelligence Unit is soon to be established.

Regarding taxation of E-Commerce, the Chairperson submitted that the House should decide if it would fall under taxation of informal business entities. To this, some members said that

informal business are business that do not need licensing and those who do not pay tax for import of goods. The House by show of hands endorsed most of the 11 point recommendation made by the Royal Audit Authority while expressing reservations on few of the recommendation.

- 2) On the review report on Performance Audit of Disaster Management, the House noted that the Ministry, Department and Agencies considering the importance of disaster management had implemented all of the 11 recommendations made by the Royal Audit Authority. The House held a prolonged discussion on the recommendation made by the Committee to establish a sustainable trust fund for disaster management as the Disaster Management Act of Bhutan 2013 did not provide for it. The Committee submitted that the fund would be useful in case a separate fund could not be allocated for disaster management.

However, other members submitted that there was no need to establish a Trust Fund as the Act already provided that the government should allocate adequate budget for risk reduction. The House therefore did not endorse the recommendations for the establishment of a Trust Fund for disaster management.

- 3) On the Review report on Performance Audit of Gewog Development Grant, it was noted that out of the 9 recommendations made by the RAA only one had been implemented. Members submitted that it was imperative to implement the rest of the recommendations made by the RAA as the Committee recommendation did not encompass all of it.

In response, some members said that the Gewog Development Grant was a special policy implemented on trial and raised concerns that amendment of the guidelines at this time might hamper works in progress. Further, it was pointed out that the responsibility and accountability were clearly stated in the Guidelines. However, the House directed the Cabinet, Public Accounts Committee and the Royal Audit Authority to sit together and submit a report in the second day sitting of the House. The House then adjourned for the day.

On the Second day sitting of the House, as directed by the House, the Committee reported that the Guidelines were amended in 2013 and 2014. Further, the 11th Five Year Plans were coming to an end and considering that the work in progress might be hampered, it submitted that the amendment of the guidelines be deferred. Accordingly, the House, by a show of hands and majority vote, did not endorse the Committee recommendation to amend the guidelines.

- 4) On the review report on Performance Audit of Joint Performance Audit of Punatsangchhu Hydroelectric Project Authority –I. Some Members submitted that according to international standards, preparation of a Detailed Project Report required a minimum of seven to nine years, however, this was carried out within two to three years. Members also raised that the consultant should be held responsible for huge cost and time-overrun caused by the major changes and deviations during the execution of the project.

Some members clarified that the Detailed Project Report was prepared by Water and Power Consultant Services (India)

Limited (WAPCOS) in consultation geologist and hydrologist and followed the Central Water Commission guidelines and River Valley Project Guidelines. The Project Management had also agreed to implement the remaining six recommendations in future projects. Questions were also raised regarding the excess payment of PF component of Nu. 17.9 million made to the contractors and non-recovery of the same by the management.

- 5) On the review report on the Performance Audit Report of Public Expenditure Management System. It was noted that out of the 17 recommendations made by the RAA only 10 recommendations had been implemented. Further the upgradation and migration of system from BAS to PEMS by Ministry of Finance to have better control over financial system in the government budgetary agencies had greatly benefitted the Ministry. The Ministry also expressed its commitment and support to provide efficient and transparent financial services.

In addition, some members submitted that taking into consideration that Bhutan Development Bank have branches in most parts of the country, it would be convenient to implement planned activities if the gewog budget was deposited with the Bank. To this it was pointed out that this would be a problem as the public expenditure management system was currently being managed by Bank of Bhutan under a different system. The government had not made any decisions on it. The House deliberated each recommendation in detail and endorsed the recommendation on majority vote by show of hands.

- 6) On the report on Implementation status of the resolutions of the 7th Session of the Second Parliament on the Audit Report.

A member submitted that the Green Climate Fund and Global Environment Facility Fund was under the management of the Gross National Happiness Commission. However, the Committee had recommended that the fund be given to National Environment Commission. The member expressed his doubt that this was not consulted with GNHC. However, the member felt that since this funding was not a project grant, it would be best if it was maintained with the GNHC as the fund could be can also be used for other purpose. Questions were also raised on the need for a Public Debt Act as the Public Expenditure Act 2007 was already enacted.

The House endorsed the recommendations made by the Committee based on majority vote by show of hands.

After a detailed discussion on the 11 recommendations, the House removed recommendation 2 and 3 made by the Committee. On recommendation 1, changes were made that the Ministry of Economic Affairs will review the matter. The House endorsed the recommendations as follows:

1. The Ministry of Economic Affairs should take the responsibility of bringing any informal trade through issuance of license. At the same time the online licensing system of Department of Trade, Department of Industries, Department of Cottage and Small Industries should be integrated with RAMIS.
4. Adequate time and resources for the preparation of Detailed Project Report should be provided to the consultant in future projects. The consultant, management and experts should consider all reports issued and relevant studies made before taking decision for any changes, in addition to amending or upgrading provision of DPR.

5. Besides preparing realistic DPR, the BoQ should also be prepared in line with the DPR so that changes and variations could be minimised during the execution/construction stages.
6. It is necessary to review the relevance and applicability of Indian standards, rates and guidelines in Bhutan or should propose for appropriate modification to suit the Bhutanese requirements and conditions.
7. The excess payment made to contractors with regard to use of lower specified materials and over/excess payment of PF component needs to be recovered.
8. The Ministry of Finance to take serious note on the remaining recommendations which were partially implemented and take necessary steps to improve the system.
9. The Ministry of Finance to identify other issues related to PEMS which were left out by RAA for necessary changes
10. The Ministry of Finance to assign a focal person to handle issues related to PEMS by other budgetary agencies for improvement purposes.
11. As required by the National Environment Protection Act 2007 (41.f), the government should explore the possibilities of entrusting NECs as the focal agency for Green Climate Fund and Global Environment Facility Fund.

As per the Rules of Procedure, the House voted on the above recommendations. Out of 64 members present and voting 52 voted Yes, 3 voted No and 9 abstained and passed the recommendation.

The Speaker thanked and commended the RAA, Public Accounts Committee and the concerned agencies for submission of the Report. Voting results are attached as **Annexure XVII**.

**20<sup>th</sup> Day of the 4<sup>th</sup> Month of the Female Fire Bird Year corresponding to 14<sup>th</sup> June 2017**

## **25. Decision of the Joint Sitting on Motor Vehicles Agreement for the Regulation of Passenger, Personnel and Cargo Vehicular Traffic Between BBIN**

The Chairperson of the Joint Committee, Hon'ble Member from Tashichhoeling constituency reported to the Joint Sitting of the House that in line with Constitution of Bhutan the National Assembly deliberated and ratified the Agreement in the 6<sup>th</sup> and 7<sup>th</sup> Session and transmitted it to National Council. The National Council deliberated the Agreement in its 18<sup>th</sup> Session and transmitted its recommendations back to the National Assembly. As per the Constitution of Bhutan the issue was submitted to His Majesty the King for deliberation in a Joint Sitting. A Joint Committee was formed to discuss the issues of contention and despite having five sittings it failed to reach an agreement. Therefore as per Section 59 1.2 of the Legislative Rules of Procedures 2017, the Joint Committee submitted that the deliberation on the Agreement be deferred.

The National Council member from Samtse Dzongkhag seconded the submission and as per the Section 59 1.2 of the Legislative Rules of Procedures, the House resolved to defer the deliberation on the Agreement.

**22<sup>nd</sup> Day of the 4<sup>th</sup> Month of Fire Female Bird Year corresponding to June 15, 2017**

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

The Speaker informed that 7 oral questions had been tabled and supplementary questions would be accepted if there was time after the questions have been answered.

1. The Member from Nubi-Tangsibji constituency asked the Hon'ble Prime Minister on the exclusion of question on corruption from the questionnaire for the recent population census.
2. The Member from Nanong-Shumar constituency asked the Minister for Home and Cultural Affairs on the delay in formulation of the rules and regulations for the Local Government Members Entitlement Act, despite the Act being enacted two years ago.
3. The Member from Bumdeling-Jamkhar constituency asked the Minister for Information and Communication on the long term plans and policies to solve the problem faced by Bhutanese travelling via Indian states of West Bengal and Assam such as the recent burning of Bhutanese trucks and unlawful charges.
4. The Member from Kengkhar-Werringla constituency asked the Hon'ble Prime Minister on the recent issues regarding the mistreatment of Bhutanese sent abroad to work. The government had made it clear that the license of the Agents would be revoked however, the member sought answers on the measures taken to compensate the person and their families who had to undergo such treatment and measures taken to prevent future incidents.
5. The Member from Gangzur- Minjay constituency asked the Prime Minister on the delay and commencement date of construction of Shingkhar-Gorgan Road. He said that the people of Lhuentse Dzongkhag had submitted for the construction of the Shingkhar-



Gorgan road through the Dzongkhag Tshogdu to the National Assembly. The construction of the road was expected to reduce the travel distance from Thimphu by 100 Kms for Lhuentse and 30 kms to other Eastern Dzongkhags. He reminded that the National Assembly had endorsed the construction in the Second Session, however, the road construction had not started although it's the end of ninth session.

6. The Member from Nganglam constituency asked the Minister for Home and Cultural Affairs on the introduction of salaries for Lhakhang caretakers and maintain equity of payment. He submitted that it was made clear from the recent budget discussion that the government would introduce salaries for Lhakhang caretakers. He said that since there were numerous Lhakhangs besides those registered with the Zhung Dratsang such as community owned Lhakhangs.

7. The Member from Radi-Sakteng constituency asked the Prime Minister on the government undertakings such as signing of agreement not consistent with national laws and those not in interest of nation like the signing of the agreement with EIB, establishment of BOIC, Dzongkhag Thromdes etc leading to loss of confidence of the people in the government. He asked the Prime Minister if the government had taken steps to assess the damage of such undertakings and incorporate the lessons learnt from such mistakes in future.

**22<sup>nd</sup> Day of the 4<sup>th</sup> Month of the Female Fire Bird Year corresponding to 16 June 2017**

**Note:** *Answers and deliberations for the above mentioned questions and the written reply asked from the Minister for Health by the member from Bomdeling-Jamkhar provided separately in the verbatim book published for reference.*

## **27. Prime Minister's Annual Report on the State of the Nation**

In accordance with Article 10 (10) of the Constitution of the Kingdom of Bhutan, the Prime Minister presented the Annual Report on the State of the Nation to the Joint Sitting of the Parliament. The Prime Minister said that with the blessings of Guru Rinpoche and Lam Zhabdrung Ngawang Namgyel, protection from the Guardian Deities, continued prayers of our monk bodies led by His Holiness the Je Khenpo and benevolence of His Majesty the King and His Majesty the Fourth Druk Gyalpo, our country and its peoples continued to enjoy happiness and peace.

### **His Majesty the King**

It was reported that, it is unprecedented in any world history to witness the convergence of the past, present and future in the forms of His Majesty the Fourth Druk Gyalpo, His Majesty the King and our beloved Gyalsey, His Royal Highness in our country. This was the main reason why our country enjoyed peace, security and sovereignty and unprecedented socio economic development.

### **Security and sovereignty**

His Majesty the King ensured our country's most important national objective of security and sovereignty. In recognition of the services of the three armed forces to the Nation, His Majesty the King increased their salaries and pension, intensifying their motivation to serve and secure Palden Drukpa.

### **Natural Disasters**

His Majesty the King personally visited the people and areas affected by natural disasters helping in relief works, showcasing love, care and solidarity and granting semso helping restore the trust and faith

of the people. A Bhutan Red Cross Society had also been established by Her Majesty, with Her Majesty the Gyaltsuen as the President.

### **Kidu**

His Majesty the King travelled the length and breadth of the country and granted people not only land kidu but also granted kidu related to medical expenses, education expenses for students from poor background (Gyalpoi Tozay), monthly salary for old and disabled people who had no one to look after them and granting citizenship. The people revere His Majesty the King as kidu-ge-pham.

### **Gross National Happiness**

The fundamentals and principals of Gross National Happiness which was the “gongter” of His Majesty the Fourth Druk Gyalpo had not only greatly benefitted the people across the globe but also that leaders and experts wanted to emulate and pursue GNH. He also informed that a GNH for business had also been formulated.

### **Country**

64% of our people still lived in rural Bhutan. However, from a total of 88,000 households, about 4,300 households were empty due to rural urban migration. In order to curb rural-urban migration, there was a need to accelerate rural development and improve their livelihood. Towards this, the government had blacktopped gewog center roads and constructed 2,766 kms of farm roads. The government also kept aside a budget of Nu. 815 million for the construction of new farm roads in the FY 2017-18. Further, the government would be providing one excavator, one backhoe and one compressor for each Dzongkhag to maintain farm roads.

## **Electricity and telecommunications**

In the past year, the government had provided electricity to about 11,597 households. After the remaining 130 households were electrified covering the length and breadth of the country, all homes would be electrified in the country. It was also reported that about 94 percent of telecommunications coverage had been achieved.

## **Farm Shops, Gewog Banks and Rural Life Insurance**

With the establishment of Farm Shops essential groceries and basic agricultural inputs were made easily available. Fuel outlets in the gewogs had also been opened which would also sell LPG cylinders to rural homes. Gewog banks had also been established and the government also revised the rural life insurance and increased life insurance cover.

## **Security**

Considering the importance of security in the rural areas, four security outposts had been established as a pilot project. If this was successful similar outpost would be opened in other gewogs. One of the main problems faced by the people in the rural areas were access to drinking water supply and irrigation water. With the establishment of the National Water Commission and formulation of water policies such problems were expected to be solved. The government allocated a budget of Nu.358 million for safe drinking water and Nu. 342 million for irrigation.

## **Thromde.**

It was reported that Nu.86 million had been allocated for drinking water in Thimphu Thromde, Nu.350 for black topping, Nu. 64 million for security under the Safe City Project under which 23

CCTV cameras had been installed. The projects had been very successful in reducing crime.

## **Governance**

Under the guidance of His Majesty the King, the institutions of democracy, the three arms of the government, constitutional offices, media and CSOs had been strengthened. Further, compared to other countries, Bhutan made remarkable improvement in the international ranking and remained one of the cleanest country with regard to corruption.

## **Three Branches of the Government**

Till date, the Second Parliament had passed 9 Acts and amended 7 Acts. The Judiciary had also been strengthened every year and the Executive branch had been working efficiently and effectively.

## **Local Government**

This year, the elected local government leaders, the gups were granted dhar and kabney by His Majesty the King, which was an unprecedented and historic gesture. His Majesty also awarded patangs to the Chairpersons of the Dzongkhag Tshogdu. The Government also increased their salary and benefits. This year, 36% of the total budget outlay had been allocated to the Local Government. The government planned to allocate about 40% of the capital expenditure during the twelfth FYP.

## **Economy**

The economy had been growing steadily. In 2013, the GDP grew by 2.1%, in 2014 by 5.8% in 2015 by 6.5 and in 2016 by 6.9% and was expected to grow in the next year.

## **Debt**

The total government debt was Nu. 171 billion mostly for hydropower construction. In the past four years, government debt increased by Nu.69.25 billion. Non hydropower loans decreased by 6.400 billion in the past four years. Today, it stood at Nu. 34.5 billion which was a good news for the people. However, the government had adopted a National Debt Policy to ensure that governments were not irresponsible in terms of borrowing from external sources.

## **Foreign Reserves**

Foreign currency reserve stood at US\$1.067million. The government passed the economic development policy to ensure the economy continued to grow and a department of macroeconomic development under the Ministry of Finance and Bhutan Economic Forum for Innovative Transformation had also been established.

In order to improve trade facilitation connectivity a budget of Nu.5.320 billion had been allocated. All airports in the country were being given a facelift and expanded. An ICT college would also be established and to support ICT, the government would pursue redundancy line (fiber optic cable) from Bangladesh. With support from India, Bhutan would launch a South Asian Satellite and three officers from Bhutan Telecom were currently undergoing Masters in Space Engineering in Japan.

## **First Jewel of Economy, Hydropower**

Hydropower constituted about 15% of the GDP. Hydropower plants generated 7,600 MUs of electricity and a revenue of NU. 14.4 billion was earned and Nu. 7.4 b was contributed to the national exchequer as tax and dividends. Earnings from hydropower would increase

as loan for the 60MW Kurichu power plant had been liquidated. Similarly, the loan for 1020 Tala Plant would also be repaid by end of 2016.

The 126 MW Dagachhu Project and 710 Mangdechu Project would be completed soon. The two projects of Punatsangchhu-I and Punatsangchhu II although delayed were scheduled for commissioning in December 2021 and September 2019 respectively. In addition, construction works on 600 MW of Kholongchhu Joint Venture and 118 MW Tangsibji Hydroelectric Project had also started.

### **Second Jewel, Cottage and Small Industries (CSI)**

It was reported that, more than 7000 license had been issued for new CSIs which aimed towards generating income and creating employment. REDCL had helped 360 business startup with government providing financial support of Nu. 424 million.

### **Third Jewel, Mining**

Revenue generated from the mining sector excluding contributions from business and corporate income taxes and other taxes in 2016 was Nu. 336 million. With the revised royalty rate, the domestic revenue increased by Nu. 36 million in the last six months. The government also approved the Mining Development Policy to ensure the sustainability of minerals in the country.

### **Fourth Jewel, Tourism**

number of tourist arrivals had been increasing in the country. Last year, 62,733 international tourists arrived in the country generating a total revenue of Nu.4.719 billion. The sustainable development fee

paid by tourists amounted to Nu.72 million. To promote tourism to the east, the government waived off the sustainable development fee for tourists visiting the six eastern dzongkhags for three years.

### **Fifth Jewel, Agriculture**

To boost agricultural production, the government provided power tillers, greenhouses, electric fences and irrigation water facilities to the people. Budget to agriculture sector for the financial year was Nu.1.900 billion and Nu.339 million alone for irrigation channels. In the past three years, 783 power tillers were distributed and about 343 would be distributed this year. Electric fencing of 1,987 kms had been built and about 500 kms of fencing was being planned. The government also initiated new endowment for crop and livestock compensation for damages caused by animals or human-wildlife conflict.

### **Health and Education**

About 8% of the total national budget had been budgeted for Health care and the Jigme Dorji National Referral Hospital had been expanded and renovated. These were the establishment of the Gyaltsuen Jetsun Pema Mother and Child Hospital and Gyalyum Kesang Choeden Wangchuck National Eye Centre. The government also provided Nu. 500 million to help the Health Trust Fund.

Similarly, 18% of the total national budget had been set aside for Education. With the establishment of nine new central schools in 2017 there were now a total of 60 Central Schools. The government planned to establish 120 such schools by the 12th FYP. The government also planned to formulate a policy where the teachers needed to have a minimum of masters' degree considering the importance of quality of education. In order to ensure that private



school provided best quality education the government would step up monitoring of private schools from this year.

### **Culture and Religions**

Under the guidance and initiative of His Holiness of the Je Khenpo, numerous Moenlam Chhenmo and Kurim were conducted and Nu.51 million was granted for Moenlam Chhenmo Fund. The Government had renovated about 208 chortens in the past two years. As commanded and with generous support from His Majesty the King, the retired armed personnel had started constructing of a chorten in each dzongkhag. Similarly, some Dzongs were being renovated or constructed some of which would be completed next year. As commanded by His Majesty the King construction of Mandirs, hindu temples had also commenced.

### **Environment**

Today, from 200 countries Bhutan was the only country that was carbon neutral and being recognized internationally as a role model for environment conservation. The government had established a Bhutan for Life to maintain the protected areas and parks with the goal of raising Nu. 45 million.

### **Foreign Policy**

The India-Bhutan relationship had further strengthened and the Prime Minister informed that next year would mark the 50th Anniversary of Indo-Bhutan relationship. A celebration was being planned for next year. A Bhutanese Consulate would be established in Guwahati, Assam.

Similarly, relationships with China was also good and the boundary talks were proceeding well and being continued.

## **People**

His Majesty the King granted different kinds of kidu including land kidu to alleviate poverty. Towards the same goal, the government also built houses for the people, provided livestock, farm machineries, laid out electric fences and other special amenities.

## **Youth**

It was reported that every year about 18,000 youth enter labour market, out of which about 8000 were absorbed in the labour force. In the past four years, about 60,000 youth had been placed in various jobs and training opportunities. About 4,000 youth had been sent to work abroad excluding those who went to work privately.

## **Women**

Unlike other countries, women in Bhutan enjoyed equal opportunities in all spheres and aspects of life. The government initiated an all women centric law. His Majesty the King, recognising women's role and leadership, introduced and conferred Gyentag to women which is equivalent to the conferring of ceremonial sword and kabneys for men. The government also increased the maternity leave to six months, opened child care centers and Gyaltsuen Jetsun Pema Wangchuck and a Mother and Child Hospital was also under construction.

In conclusion, Bhutan under the guidance of our beloved monarchs experienced unprecedented growth and development and experienced continued peace, security and happiness. The Prime Minister expressed his deep gratitude and offered prayers for the long life of His Majesty the King, His Majesty the Fourth Druk Gyalpo, the Royal Prince and members of the Royal Family.

**25<sup>th</sup> Day of the 4<sup>th</sup> Month of the Female Fire Bird Year corresponding to June 19, 2017.**

## **28. Concluding Ceremony**

The Speaker of the National Assembly, National Council Chairperson and the Secretaries General of the two Houses received His Majesty the King in a traditional ceremony at Gate I to the auspicious concluding ceremony of the Parliament.

### **28.1. Expression of Appreciation**

#### **28.1.1. Minister for Information and Communication**

The Minister expressed deep appreciation to His Majesty the King for personally touring the length and breadth of the country and granting audience and kidu to the people. He also thanked His Majesty the King for visiting schools in Thimphu and giving valuable words of wisdom to the students and youth. He also thanked the Gyalsay for visiting Trongsa for the first time and granting audience to the people. He expressed deep appreciation to His Majesty the King for granting land kidu, citizenship kidu and support to Hindu community. On behalf of the government, he expressed his deep gratitude for further strengthening foreign relations by granting audience to the visiting state guests.

On behalf of the government, he also expressed his gratitude to His Holiness the Je Khenpo and the monastic body for conducting annual kurims for the well being of the country and to Her Majesty the Gyaltsuen and the members of the Royal Family taking various initiatives for the benefit of the people and country.

#### **28.1.2 Hon'ble Member from Trashiyangtse Dzongkhag, National Council**

He said that the success of democracy in the country after its introduction by His Majesty the Fourth Druk Gyalpo was due to the wise and noble leadership of His Majesty the King.

He expressed that there was a risk of long term goals of the people taking back stage because of members considering only the short term goals in their five year term. On behalf of the National Council, he expressed his deep appreciation to His Majesty the King for noble guidances on the present and future goals, environment and waste management and on economic development. His Majesty the King also commanded the review of bank loan system, which greatly benefitted the rural people, helping achieve self sufficiency, sustainable economic development and realise the objectives of gross national happiness.

### **28.1.3 Hon'ble Member from South Thimphu, Opposition Party**

On behalf of all the people, he expressed his deep gratitude to His Majesty the Druk Gyalpo for gracing all Opening and Closing Sessions of the Parliament, inspiring trust and confidence in the Parliament and the system of democracy by the people.

In a democratic system of governance, the people have the right to place accountability on the elected leaders if they failed in serving the Tsa-wa-sum. He expressed his concern that like other democratic countries, there was also a risk of facing problems in formulating Acts and Policies and passing of Budget although the proceedings were being carried out in public. He reminded that that if people did not understand or not be attentive to the problems associated with democracy for the past nine years, there was more risk of it escalating. He urged the people to be careful of people involved in illegal and corrupt practices of buying votes during election periods.

His Majesty the King had time and again commanded to refrain from corrupt practices. He said that in future there was a risk of political parties seeking support from outside Bhutan which would

be detrimental to a small country like Bhutan. In addition, it was possible that political parties would carry out activities to please the people while ignoring the long term interests of the country. Therefore, the people might further lose their confidence and trust in the democratic system.

He expressed his apprehension that the country would face difficulties if the people disregarded His Majesty the King's repeated words of wisdom to strengthen the democratic system. If the government, political parties and the people work in accordance with the laws there was an opportunity for Bhutan, a small country, to become a model democratic country. He expressed his trust and faith that Bhutan with the blessings of Kenchosum and under the wise and benevolent leadership of His Majesty the King would never face circumstances.

He said that the people were aware that under the wise rule and leadership of the Wangchuck Dynasty, Bhutan experienced unprecedented peace and happiness, strengthened security and sovereignty. He said that the government would be ashamed to know of the works carried out by His Majesty the King for the benefit of the people and the country.

He reminded the people to bear in mind that His Majesty the Fourth King and His Majesty the King visioned that for the country to be successful, national unity was imperative. He said that nothing was impossible as long as the trust and bond between the People and the King were not broken.

He said that His Majesty the King's leadership was fundamental to the continued peace and happiness of the country and expressed his

deep gratitude to His Majesty the King for working tirelessly and selflessly for the welfare of the people and country.

He offered prayers for the long life of His Majesty the King, the lifeline of the country, Her Majesty the Gyaltsuen, His Royal Highness the prince, His Majesty the Fourth Druk Gyalpo and members of the Royal Family. He also prayed that the trust and faith between the King and People would never be broken in future.

## **28.2.The Speaker’s Concluding Address**

The Speaker expressed his deep appreciation to His Majesty the King for gracing the closing session of the 9th Session of the Second Parliament coinciding with the five most auspicious occasion of life of Lord Buddha converged into this month. A warm welcome was also extended to representatives of the central monastic body, senior government officials, representatives of the international community and to all those who had come to witness the ceremony.

He said that in accordance with the provisions of the Constitution of Bhutan and the Parliament’s mandate, His Majesty the Druk Gyalpo granted Assent to the Paris Agreement 2015 and the Indo-Bhutan Trade Agreement which were deliberated and ratified by both the Houses. He also informed that Bhutanese consulate would be established in Guwahati in Assam, India in line with review of the Indo-Bhutan Trade Agreement after ten years. It was hoped to greatly benefit in promoting trade and regional tourism. He said that the Bangladesh, Bhutan, India and Nepal Motor Vehicle Agreement was deferred as the consensus could not be reached between the two Houses of Parliament.

He informed that the National Assembly passed a supplementary budget of Nu. 59,227.076 million for the Fiscal Year 2016-17 and an Annual Budget of Nu. 60.777.871 for the FY 2017-18. He urged all central agencies and the Local Governments to carefully implement the programs and ensure fruitful achievement since the next FY was the last year of the current plan. He said another historic achievement of the government was that it still had Nu. 8 billion excess of internal revenue to be used for capital expenditure after having met the current expenditure.

The National Assembly, considering the present and future welfare of the country had passed the Fiscal Incentive 2017 as a Money Bill. The Fiscal Incentive was an important tool in enhancing the private sector and the economy. He expressed his hope that the policies on debt management, economic development, regional tourism and mining development policies would help in managing country's debt and development of the private sector.

On behalf of the Members of the Parliament, the Speaker expressed his deep gratitude to His Majesty the Druk Gyalpo for strengthening the country's international relations by granting audiences to foreign dignitaries and for visiting various parts of the country and granting invaluable words of wisdom to the students and teachers. His Majesty also graced the 12<sup>th</sup> Convocation of the graduates under the Royal University of Bhutan. The Members of Parliament expressed their gratitude to His Majesty the King for caring the youth like His Majesty's own children.

He also thanked His Holiness the Je Khenpo and members of the clergy for conducting Moenlam Chhenmo in all the Dzongkhags for

world peace in general and for the peace and happiness of the people and country in particular. His Holiness also instituted the Moenlam Chhenmo Fund for its sustainability. He also expressed his thanks to the Hindu pandits for initiating spiritual activities or the welfare of the people and the country.

The Parliament also expressed their appreciation to Her Majesty the Gyaltsuen, Her Majesty the Queen Mother and Members of the Royal Family for the numerous initiatives taken for the welfare of the people and the country.

The government under the wise guidance and leadership of His Majesty the King had successfully carried out many developmental activities. In addition, the government had provided each dzongkhag with a bulldozer and backhoe loader and introduced services that could be availed online. For this, the Parliament expressed its gratitude.

The Speaker, on behalf of the Parliament, expressed its appreciation to friendly countries and development partners for their financial support and assistance, especially to government and people of India for their continued support and friendship. The parliament also expressed its appreciation to the organisers and civil servants who assisted in the successful conduct of the National Housing and Population Census 2017.

In conclusion, the Parliament offered their prayers for the long life of His Majesty the Druk Gyalpo, His Majesty the Fourth Druk Gyalpo, His Royal Highness the Gyalsey and the Members of the Royal Family. The Parliament also offered prayers for long life of



His Holiness the Je Khenpo and other members of the clergy. The House then offered Zhapten to His Majesty the King concluding the 9th Session of the Second Parliament of Bhutan. The Copy of the Concluding Speech Attached in **Annexure XVIII**.

**26<sup>th</sup> Day of the 4<sup>th</sup> Month of the Female Fire Bird Year**



20 June, 2017

(Jigme Zangpo)  
SPEAKER

## **Annexure I**

### **Annexure I: Address of Tshogpon Jigme Zangpo at the Opening Ceremony of the Ninth 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 humbly welcome His Majesty the Druk Gyalpo to the opening ceremony of the Ninth Session of the Second Parliament. We would like to express our gratitude to His Majesty for gracing the occasion despite numerous royal engagements to attend.

I would also like to welcome the Members of the Royal Family, representatives of the Central Monastic Body, senior government officials, representatives of the international community and all the people who have come to witness the occasion.

2. I would like to inform that the following agenda will be deliberated in this session:
  - 1) Five Disputed Clauses of the Customs Bill of Bhutan in the Joint Sitting
  - 2) 15 disputed clauses on the Motor Vehicle Agreement for the Regulation of Passenger, Personnel and Cargo Vehicular Traffic between Bangladesh, Bhutan, India, and Nepal submitted by the National Council
  - 3) Performance Audit Report of the Royal Audit Authority

Furthermore, the Prime Minister will present the Annual Report on the State of the Nation, including Legislative Plans and Annual Plans and Priorities of the Government in this session.

**Annexure I**

3. The National Assembly in general will deliberate on:
  - 1) Adoption of Annual National Budget for the Financial Year 2017-2018
  - 2) Report of the Third Pay Commission
  - 3) Anti-Money Laundering and Countering Financing of Terrorism Bill 2017
  - 4) Bhutan Information, Communication and Media Bill 2016
  - 5) Marriage Bill of Bhutan
  - 6) Report of the Anti-Corruption Commission
4. Likewise, there will be deliberations on Multilateral Agreement for the establishment of an International Think Tank for Landlocked Countries and on the implementation of past resolutions. Motions from the members will also be deliberated in the session.
5. The National Assembly had received several petitions from three Dzongkhags to be deliberated in the Ninth Session. These petitions have been extensively deliberated in the Preliminary Meeting on April 21 and forwarded to the relevant ministries for appropriate actions. It is therefore imperative for the Ministries to take appropriate actions without further delay. As some of the petitions have been previously deliberated, the resolution thereof of the deliberation will be forwarded to concerned Dzongkhags.
6. I would also like to inform the gathering that:
  - 1) On behalf of the Parliament, I had led delegations to attend the Asian Parliamentary Assembly meetings in Pakistan, Vietnam

## **Annexure I**

and Cambodia with participants from 42 member countries and 12 observer countries.

During these meetings, the member countries had proposed Bhutan to host the next meeting of the Social and Culture committee of the Asian Parliamentary Assembly. Subsequently, the National Assembly and the National Council have jointly finalized to hold three-day summit at the end of August and in the first week of September this year.

- 2) I also led a delegation and attended the South Asian Speakers' Summit on Achieving the Sustainable Development Goals (SDGs) in Indore, India. At the end of the summit, the South Asian Speakers resolved that hereafter one day will be allotted for debating on SDGs during the parliamentary sessions in respective countries.
- 3) Similarly, some members led by the Chairperson of the National Council have attended the 136th IPU and related meetings in Dhaka, Bangladesh and came up with successful outcomes.
7. His Majesty had personally visited to oversee the affected places during the times of natural disasters in the country. His Majesty has recently visited windstorm affected sites in Punakha and granted invaluable guidance of consolation and support to the victims. The Parliament therefore would like to express our deepest gratitude to His Majesty.
8. The Parliament would also like to thank His Holiness the Je Khenpo, five Venerable Lopens and the Central Monastic Body for conducting prayers for world peace, and Kurims across

## **Annexure I**

Dratshangs, Dzongs, Lhakhangs and Goendeys for the well-being of the Bhutanese people.

9. We would like to express our gratitude to Her Majesty the Gyaltsuen who is the patron of the Ability Bhutan Society (ABS) for gracing the inauguration of the International Conference on Autism and Neuro-developmental Disorders in Thimphu last month.

The Parliament would also like to express our gratitude to Her Majesty the Queen Mothers, Royal Highnesses and other Members of the Royal Family for taking various initiatives for the welfare of the people. Furthermore, we would like to express gratitude to Her Majesty Gyalyum Sangay Choden Wangchuck, the goodwill ambassador of UNFPA for her high level advocacy tour in the Dzongkhags and promoting awareness on important public health and social issues to the people and youth.

10. The Government has constantly strived on the economic development and achieved successful outcomes. Similarly, the Monastic Body has rendered continued support towards renovating Dzongs, Lhakhangs and Goendeys. The Parliament therefore would like to express its appreciation to the Government and the Monastic Body.
11. Upon the invitation of His Majesty the Druk Gyalpo, H.E. Sheikh Hasina, Prime Minister of the People's Republic of Bangladesh paid a State Visit to Bhutan from 18-20 April 2017. The visit to Bhutan by H.E. Sheikh Hasina is highly significant as it

## **Annexure I**

reinforces the tradition of regular high-level exchanges between the two countries and had strengthened the friendship between the two countries.

Such high level visits to each other's country have not only reaffirmed the relations between the two nations but had also further strengthened the areas of trade and commerce, tourism and education. Today, the two countries have signed six memorandum of understanding including two agreements during the last visit of Prime Minister Sheikh Hasina.

A total area of 1.5 acres of land has been gifted for the construction of the Bangladesh Embassy in Thimphu. An agreement on the allotment of User Right of land was signed by the two countries and the deed for the User Right of land was also signed at the event. It is also a historic outcome having unveiled the foundation stone for the Embassy of the People's Republic of Bangladesh graced by His Majesty and the Prime Ministers of both the countries. Thus, the Parliament would like to express its appreciation to the governments of two nations.

12. The 13th Round Table Meeting was held from 15-16 April 2017. During the meeting, the donor partners and agencies expressed their commitment for continued support for the 12th Five Year Plan. The Parliament of Bhutan would like to thus thank all donor countries, agencies and financial institutions for their commitment of continued support to Bhutan.

**Annexure I**

13. Under the wise leadership of His Majesty, the three armed forces of the nation have been shouldering the responsibility for the security of the people and the country through out the clock. The members of the armed forces had also been rendering their support in times of natural calamities in the country. Similarly, the Dessups have always voluntarily rendered their service in times of huge public gatherings and disasters. Thus, on behalf of the Parliament, I would like to express my appreciation to the members of the armed forces and the Dessung.
14. The Gross National Happiness Commission (GNHC) secretariat and President of Centre for Bhutan Studies (CBS) Dasho Karma Ura made presentations on the 12th FYP Guidelines and research survey findings to the Hon'ble Members of the National Assembly. It would help the National Assembly in proper planning and disseminating of information related to the next five year plan. Therefore, we would like to thank the coordinators for the programme.
15. I would also like to take this opportunity to speak few words on Teachers' Day which we celebrated yesterday. His late Majesty the Third Druk Gyalpo provided free education and established numerous schools across the country for the benefit of the people during his reign. Since then, the quality of education has come a long way in Bhutan. Yesterday, we paid tribute to His late Majesty the Third Druk Gyalpo and to around 9,000 teachers who are working hard to educate over 171,000 students in 600 schools across the country. The Parliament would like

## **Annexure I**

to therefore express its appreciation to all the people for their tributes on an important day.

16. Recently, the Election Commission of Bhutan (ECB) had conducted Local Government election for the vacant posts of local leaders in Gewogs and Thromdes. Therefore, the Parliament would like to extend appreciation and congratulate all the elected leaders, Thromde representatives, Tshogpas and Election Commission of Bhutan (ECB) for the successful elections. It is hoped that the elected leaders will serve the Tsa-Wa-Sum with utmost dedication and loyalty.
17. Lastly, with the grace of Triple Gem and guardian deities, benevolent guidance of His Majesty the Druk Gyalpo, prayers of the monastic body, collective merits of the people of Bhutan and support from the Members of Parliament, I am hopeful that the Ninth Session of the Second Parliament of Bhutan would be very successful.

THANK YOU



## **Annexure II**

### **Annexure II: Royal Kasho**

The Royal Assent is hereby granted for the deliberation and voting on the disputed clauses of the Customs Bill of Bhutan 2015 and Motor vehicles Agreement for the Regulation of Passenger & Cargo Vehicular Traffic between Bangladesh, Bhutan, India and Nepal, in the Joint Sitting of the Parliament as per the Section 8, Article 13 of the Constitution of the Kingdom of Bhutan on the 16th Day of the 2nd Month of the Fire Female Bird Year.

Druk Gyalpo

## **Annexure III**

### **Annexure III: Joint Committee's Recommendations on the Customs Bill of Bhutan 2017 to the Joint Sitting of the Parliament**

The Five Disputed Clauses of the Customs Bill of Bhutan 2017 between the two Houses were extensively deliberated by the Joint Committee and following that, the Chairperson of the Joint Committee submitted the Committee's recommendations to the House. The House extensively deliberated on each recommendation and therefore adopted the following recommendations submitted by the Joint Committee in the Joint Sitting

#### **Section 30**

Retain as in the original Section

#### **Section 46**

Customs duty shall not be levied on goods of Indian origin imported into Bhutan in accordance with bilateral or multilateral trade agreements signed by the Royal Government of Bhutan the free trade agreement between Royal Government of Bhutan and Government of the Republic of India.

#### **Section 48(3)**

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

#### **Section 154**

Retain as in the original Section

#### **New section after 181**

#### **Allowances, benefits and other emoluments**

The Customs personnel working in the field shall be entitled to salary based lump-sum allowances, benefits and other emoluments on the approval of the Government upon recommendation by the Pay Commission.

**Annexure IV****Annexure IV: Voting list on the Joint Committee's recommendations on the Customs Bill of Bhutan 2017****Date: 14/05/2017****Voting: Passed Yes: 69 Abstain: 0 No: 0 Total present: 69**

|    |                        |          |     |
|----|------------------------|----------|-----|
| 1  | Sonam Kinga            | Delegate | Yes |
| 2  | Tshering Tobgay        | Delegate | Yes |
| 3  | Madan Kumar Chhetri    | Delegate | Yes |
| 4  | Yeshey Dorji           | Delegate | Yes |
| 5  | Zanglay Drukpa         | Delegate | Yes |
| 6  | Nima                   | Delegate | Yes |
| 7  | Khandu Wangchuk        | Delegate | Yes |
| 8  | Dina Nath Dungyel      | Delegate | Yes |
| 9  | Yeshey Zimba           | Delegate | Yes |
| 10 | Wangdi Norbu           | Delegate | Yes |
| 11 | Jigme Wangchuk (Radhi) | Delegate | Yes |
| 12 | Pema Gyamtsho          | Delegate | Yes |
| 13 | Dorji Wangdi           | Delegate | Yes |
| 14 | Rinzin Dorji (Punakha) | Delegate | Yes |
| 15 | Kesang C Dorji         | Delegate | Yes |
| 16 | Nyeema Sangay Tshempo  | Delegate | Yes |
| 17 | Karma Tenzin           | Delegate | Yes |
| 18 | Ritu Rai Chhetri       | Delegate | Yes |
| 19 | Jigme Wangchuk         | Delegate | Yes |
| 20 | Nidup Zangpo           | Delegate | Yes |
| 21 | Jigme Rinzin           | Delegate | Yes |
| 22 | Pema Tenzin            | Delegate | Yes |
| 23 | Dophu Drukpa           | Delegate | Yes |
| 24 | Pema Drukpa            | Delegate | Yes |
| 25 | Dhan Bdr Monger        | Delegate | Yes |
| 26 | Karma Tshering         | Delegate | Yes |
| 27 | Mingbo Drukpa          | Delegate | Yes |

**Annexure IV**

|    |                            |          |     |
|----|----------------------------|----------|-----|
| 28 | Kuenga                     | Delegate | Yes |
| 29 | Tashi Dorji                | Delegate | Yes |
| 30 | Phuntsho Rabten            | Delegate | Yes |
| 31 | Sonam Dondup Dorji         | Delegate | Yes |
| 32 | Chimi Dorji                | Delegate | Yes |
| 33 | Gopal Gurung               | Delegate | Yes |
| 34 | Dawa Gyeltshen             | Delegate | Yes |
| 35 | Tek Bdr Subba              | Delegate | Yes |
| 36 | Tandin Wangchuk            | Delegate | Yes |
| 37 | Tshering                   | Delegate | Yes |
| 38 | Karma Dorji                | Delegate | Yes |
| 39 | Pelzang Wangchuk           | Delegate | Yes |
| 40 | Rinzin Dorji (P/ling)      | Delegate | Yes |
| 41 | Tempa Dorji                | Delegate | Yes |
| 42 | Dupthop                    | Delegate | Yes |
| 43 | Sangay Khandu (Gasa)       | Delegate | Yes |
| 44 | Lekey Dorji                | Delegate | Yes |
| 45 | Choida Jamtsho             | Delegate | Yes |
| 46 | Yogesh Tamang              | Delegate | Yes |
| 47 | Kezang Wangmo              | Delegate | Yes |
| 48 | Dorji Choden               | Delegate | Yes |
| 49 | Tharchen                   | Delegate | Yes |
| 50 | Rinzin Jamtsho             | Delegate | Yes |
| 51 | Tshewang Jurmi             | Delegate | Yes |
| 52 | Ugyen Wangdi               | Delegate | Yes |
| 53 | Tashi Phuntsho             | Delegate | Yes |
| 54 | Tshering Dorji (Haa)       | Delegate | Yes |
| 55 | Karma Rangdol              | Delegate | Yes |
| 56 | Pema Dakpa                 | Delegate | Yes |
| 57 | Tashi Wangyel              | Delegate | Yes |
| 58 | Damcho Dorji               | Delegate | Yes |
| 59 | Rinzin Dorji (Shompangkha) | Delegate | Yes |
| 60 | Tashi Wangmo               | Delegate | Yes |

**Annexure IV**

|    |                        |          |     |
|----|------------------------|----------|-----|
| 61 | Namgay Dorji           | Delegate | Yes |
| 62 | Sonam Wangchuk         | Delegate | Yes |
| 63 | Kaka Tshering          | Delegate | Yes |
| 64 | Nima Gyeltshen         | Delegate | Yes |
| 65 | Sonam Dorji            | Delegate | Yes |
| 66 | Kamal Bdr Gurung       | Delegate | Yes |
| 67 | Sangay Khandu (Samtse) | Delegate | Yes |
| 68 | Kinley Om              | Delegate | Yes |
| 69 | Novin Darlami          | Delegate | Yes |

**Annexure V****Annexure V: Motion on Policies and Programmes to Support the Highlanders to Enhance the Sustainability of Their Livelihoods, Submitted by the Ad hoc Committee on High Altitude Areas****1. Background**

Bhutan's northern borders are home to semi-nomadic pastoralists who are traditionally dependent on rearing livestock. Besides eking out a living using the scant natural resources in very difficult geographical conditions, these pastoralists also serve as the first line of defence in securing our national boundaries. They are present in at least 11 Dzongkhags of Haa, Paro Thimphu, Gasa, Wangdiphodrang, Trongsa, Bumthang, Lhuentse, Tashigang and Trashiyangtse. In recent years, because of changing socio-economic conditions such as dwindling family labour and depleting natural resources as well as access better alternatives elsewhere, there is a serious risk of people moving away from border areas. This trend was already observed in high altitude areas of Haa, Bumthang and Lhuentse. Once herders give up herding yaks, sheep, cattle and horses, the pastures they use are vulnerable to encroachment from the herder across the border. With the limited resources for guarding the borders, it is highly likely that such incidents would only increase and would lead to undesirable events that would compromise our territorial integrity.

Therefore, the Royal Government needs to explore ways and means of encouraging the high altitude residents to continue to live in their areas and reduce out migration to lower areas. This would be possible only if suitable incentives and concessions could be provided to them to improve their economic conditions and quality of life.

**Annexure V****2. Key challenges faced by the Highlanders****2.1 Depleting Natural Resource Base**

- i). There is continued degradation of pastures as a result of mismanagement and over grazing. Traditional user rights have been ignored and increased competition for access to limited grazing areas is occurring in the most areas. The lack of proper grazing management has also led most pastures being vegetated with unpalatable species of shrubs and weeds.
- ii). There is continuing decrease in the number of livestock. Sheep rearing has become extinct and yak population is decreasing rapidly, and generic quality is becoming poorer due to lack of new bloodlines.

**2.2 Changing Social Norms and Behaviour**

- i). Social norms are rapidly changing. The traditional polyandry system of system of marriage is giving way to monogamy leading to increased population and fragmentation of properties. This makes it difficult for families to have a decent source of livelihood and have to look for employment and opportunities elsewhere.
- ii). With increased access to education and uprooting of youth from their communities in pursuit of higher education is accelerating the process of depopulating the highland areas. Youth who are studying in higher education facilities away from the highland communities are not physically and mentally fit to return to their lives in highlands.

**2.3. Restricted on Access to Resources**

- i). Highland residents are restricted by current laws access to basic resources like timber, stones and sands for house construction, fuel wood for energy and collection of medicinal herbs and mushrooms.

**Annexure V**

- ii).Most of the high altitude regions fall under national parks and protected areas. Therefore, there is increased depredation of crops and livestock from protected species of wildlife, such as monkeys, wild boars, tigers and leopards.

**2.4. Difficulty in Accessing to Social Services**

- i). Although community and primary schools and in some case, lower secondary are established and operational in most high altitude areas, children still have to go to other lower areas for pursuing higher studies. For example, students from Laya have to go down to Damji in Khatoe Gewog and students from Sakteng to Phongmey. As a result, they are removed from their way of life and their cultural roots. Once they complete their secondary school education, irrespective of whether they do well or not. Those who fail in their exams do not return due to the stigma attached to being a failure. Moreover, they are physically unfit and lack the necessary skills to take up herding.
- ii).Most communities are remote and the transhumant way of life, with herders moving with their herds frequently from pasture to pasture, makes it difficult for them to access proper health care. This is particularly serious for women during pregnancy and childbirth.

**2.5. Access to Financial and Economic Services**

- i).Most communities do not have access to banking facilities, the nearest bank being at the Dzongkhag headquarters. Therefore, they either keep their money at home or carry with them which are not conducive to promoting a culture of saving and gainful investment.



**Annexure V**

- ii). while most of the high altitude areas are popular tourist destinations, the benefits from this sector to local residents are minimal and limited and restricted to transporting the luggage of tourists and catering to their demands for firewood. Income from sale of local products and souvenirs are also limited due to lack of marketable goods.

**3. Motion for Consideration by the House**

The Ad Hoc Committee on High Altitude Areas, after considering the difficulties and challenges faced by the high altitude communities, therefore request the House to consider the approval of policies and programmes listed in Annexure 1 in order to ensure the sustainability of their livelihoods and strengthen border security.

**Proposed Policies and Programmes for Highlanders to Enhance Their Livelihoods**

| Sl. No. | Sector   | Agency                              | Incentives/Supports   |
|---------|----------|-------------------------------------|---|
| 1.      | Economic | Ministry of Agriculture and Forests | 1.1.Expedite pasture land allocation on lease either individually or groups of herders as per the Land Act 2007 |
|         |          |                                     | 1.2.Issue pasture use and management guidelines   |
|         |          |                                     | 1.3.Supply breeding yaks free of cost   |
|         |          |                                     | 1.4.Supply free fodder seeds and hay making tools   |
|         |          |                                     | 1.5.Supply concentrate feed and Mineral licks at subsidized cost  |
|         |          |                                     | 1.6.Provide regular veterinary services including annual vaccinations   |
|         |          |                                     | 1.7.Strengthen livestock extension service by placing qualified veterinarian and fodder specialists             |

**Annexure V**

|  |  |                              |  |
|--|--|------------------------------|--|
|  |  |                              | 1.8. Provide adequate and reliable compensation for depredation of livestock by wildlife   |
|  |  |                              | 1.9. Support selected herders to take up hygienic milk processing for producing pasteurized milk, cream, yoghurt, butter and cheese through free supply of equipment and provision of training |
|  |  |                              | 1.10. Support selected private sector to set up shops with cold storage facilities for dairy products  |
|  |  |                              | 1.11. Support non-herding families to set up yak hair and wool products suitable as souvenirs  |
|  |  |                              | 1.12. Provide free timber for construction of houses and commercial structures, fencing poles and sheds  |
|  |  |                              | 1.13. Issue permits for collection of medicinal herbs, incense and mushrooms based on CBNRM principles   |
|  |  |                              | 1.14. Free supply of vegetable seeds and green houses  |
|  |  |                              | 1.15. Set up fair-price shops for essential goods and commodities even in major settlement   |
|  |  |                              | 1.16. Provide solar electric fencing to protect the cropped areas from wildlife damage   |
|  |  | Ministry of Economic Affairs | 1.17. Provide free electricity or supply solar panels as required  |
|  |  |                              | 1.18. Support marketing of medicinal herbs and other NTFPs   |

**Annexure V**

|    |        |                           |   |
|----|--------|---------------------------|---|
|    |        |                           | 1.19.Issue permits for controlled collection of sands and stones for housing and other constructions                    |
|    |        | Tourism Council of Bhutan | 1.20.Develop and support the implementation of an integrated tourism plan   |
|    |        |                           | 1.21.Support the developmental of homestay facilities with selected households  |
|    |        |                           | 1.22.Develop eco-camps and institute local management systems   |
|    |        |                           | 1.23.Improve mule treks and install signage   |
|    |        |                           | 1.24.Train local youth in managing homestays and in guiding visitors for various kinds of tours                         |
|    |        |                           | 1.25.Introduce value based tariff for trekking, birding, riding, climbing and biking etc. to increase tourists arrivals |
|    |        |                           | 1.26.Develop local resorts like hot springs and institute commercial management mechanisms                              |
| 2. | Social | Ministry of Health        | 2.1.Upgradation of basic health units   |
|    |        |                           | 2.2.Introduction of mobile clinics on a regular basis by a qualified doctor   |
|    |        |                           | 2.3.Training of selected youth in basic first aid treatments and employing them to contract                             |
|    |        |                           | 2.4.Easy access to helicopter and ambulance services for evacuation of serious patients                                 |

**Annexure V**

|    |           |   |   |
|----|-----------|---|---|
|    |           | Ministry of Education                     | 2.5.Establishment of community schools in all major villages or cluster of villages   |
|    |           |   | 2.6.Establishment of secondary education (equivalent to central school)   |
|    |           |   | 2.7.Free boarding, books and equipment  |
|    |           |   | 2.8. Free supply of uniforms (local costumes)   |
|    |           |   | 2.9. Preferential employment of native teachers   |
|    |           |   | 2.10.Free housing for teachers and staffs   |
|    |           | Ministry of Labour and Human Resources    | 2.11.Preferential employment of locals in their native places in all the sectors (agriculture, livestock, tourism, health and education etc...) |
|    |           |   | 2.12.Vocational training in hospitality management, livestock production, basic health care and guiding   |
|    |           |   | 2.13.Special allowances for civil servants in highland areas  |
|    |           | Ministry of Information and Communication | 2.12.Establish functional G2Cs in all the gewogs  |
|    |           |   | 2.13.Provide free mobile/ internet service up to a maximum specified ceiling  |
|    |           |   | 2.14.Provide satellite phones to areas where mobile connectivity is unreachable   |
| 3. | Financial | Ministry of Finance/ Banks                | 2.13.Set up mobile credit and saving facilities in all the gewogs   |

**Annexure V**

|    |               |                                       |  |
|----|---------------|---------------------------------------|--|
|    |               |                                       | 2.14. Exempt taxes on livestock  |
|    |               |                                       | 2.15. Levy only token fees on pasture leases (for administrative purpose)    |
|    |               |                                       | 2.16. Exempt tax on homestay earnings and local agro- enterprises            |
|    |               |                                       | 2.17. Levy lower tariffs for tourists visiting highland areas                |
| 4. | Law and Order | Ministry of Home and Cultural Affairs | 4.1. Set up community police units   |
|    |               |                                       | 4.2. Promote local culture, tradition, arts and crafts                       |
|    |               |                                       | 4.3. Preserve local religious institutions, beliefs, monuments and festivals |

**Annexure VI****Annexure VI: Voting list on the Adoption of the Multilateral Agreement for the Establishment of an International Think Tank for Landlocked Countries****Date: 23/05/2017****Voting: Passed Yes: 41 Abstain: 1 No: 2 Total present: 44**

|    |                        |          |         |
|----|------------------------|----------|---------|
| 1  | Dechen Zangmo          | Delegate | Yes     |
| 2  | Tshering Tobgay        | Delegate | Yes     |
| 3  | Madan Kumar Chhetri    | Delegate | Yes     |
| 4  | Yeshey Dorji           | Delegate | Yes     |
| 5  | Zanglay Drukpa         | Delegate | Yes     |
| 6  | Khandu Wangchuk        | Delegate | Yes     |
| 7  | Dina Nath Dungyel      | Delegate | Yes     |
| 8  | Yeshey Zimba           | Delegate | Yes     |
| 9  | Wangdi Norbu           | Delegate | Abstain |
| 10 | Jigme Wangchuk (Radhi) | Delegate | Yes     |
| 11 | Pema Gyamtsho          | Delegate | Yes     |
| 12 | Norbu Wangchuk         | Delegate | Yes     |
| 13 | Dorji Wangdi           | Delegate | No      |
| 14 | Nyeema Sangay Tshempo  | Delegate | Yes     |
| 15 | Karma Tenzin           | Delegate | Yes     |
| 16 | Ritu Raj Chhetri       | Delegate | Yes     |
| 17 | Ngedup Zangpo          | Delegate | Yes     |
| 18 | Dophu Dukpa            | Delegate | Yes     |
| 19 | Pema Drukpa            | Delegate | Yes     |
| 20 | Mingbo Dukpa           | Delegate | Yes     |
| 21 | Kuenga                 | Delegate | Yes     |
| 22 | Sonam Dondup Dorji     | Delegate | Yes     |
| 23 | Chimi Dorji            | Delegate | Yes     |

**Annexure VI**

|    |                  |          |     |
|----|------------------|----------|-----|
| 24 | Gopal Gurung     | Delegate | Yes |
| 25 | Dawa Gyeltshen   | Delegate | Yes |
| 26 | Tek Bdr Subba    | Delegate | Yes |
| 27 | Tshering         | Delegate | Yes |
| 28 | Karma Dorji      | Delegate | Yes |
| 29 | Pelzang Wangchuk | Delegate | Yes |
| 30 | Dupthob          | Delegate | Yes |
| 31 | Lekey Dorji      | Delegate | Yes |
| 32 | Choida Jamtsho   | Delegate | Yes |
| 33 | Yogesh Tamang    | Delegate | Yes |
| 34 | Kelzang Wangmo   | Delegate | Yes |
| 35 | Dorji Choden     | Delegate | Yes |
| 36 | Rinzin Jamtsho   | Delegate | Yes |
| 37 | Tshewang Jurmi   | Delegate | Yes |
| 38 | Ugyen Wangdi     | Delegate | Yes |
| 39 | Karma Rangdol    | Delegate | No  |
| 40 | Damcho Dorji     | Delegate | Yes |
| 41 | Rinzin Dorji     | Delegate | Yes |
| 42 | Namgay Dorji     | Delegate | Yes |
| 43 | Kinley Om        | Delegate | Yes |
| 44 | Novin Darlami    | Delegate | Yes |

**Annexure VII****Annexure VII: Voting list on the Adoption of Supplementary Budget Appropriation Bill 2016-17****Date: 26/05/2017****Voting: Passed Yes: 44 Abstain: 0 No: 0 Total present: 44**

|    |                        |          |     |
|----|------------------------|----------|-----|
| 1  | Dechen Zangmo          | Delegate | Yes |
| 2  | Tshering Tobgay        | Delegate | Yes |
| 3  | Madan Kumar Chhetri    | Delegate | Yes |
| 4  | Zanglay Drukpa         | Delegate | Yes |
| 5  | Khandu Wangchuk        | Delegate | Yes |
| 6  | Dina Nath Dungyel      | Delegate | Yes |
| 7  | Yeshey Zimba           | Delegate | Yes |
| 8  | Wangdi Norbu           | Delegate | Yes |
| 9  | Jigme Wangchuk (Radhi) | Delegate | Yes |
| 10 | Pema Gyamtsho          | Delegate | Yes |
| 11 | Norbu Wangchuk         | Delegate | Yes |
| 12 | Dorji Wangdi           | Delegate | Yes |
| 13 | Nyeema Sangay Tshempo  | Delegate | Yes |
| 14 | Karma Tenzin           | Delegate | Yes |
| 15 | Ritu Raj Chhetri       | Delegate | Yes |
| 16 | Ngedup Zangpo          | Delegate | Yes |
| 17 | Dophu Dukpa            | Delegate | Yes |
| 18 | Pema Drukpa            | Delegate | Yes |
| 19 | Mingbo Dukpa           | Delegate | Yes |
| 20 | Kuenga                 | Delegate | Yes |
| 21 | Sonam Dondup Dorji     | Delegate | Yes |
| 22 | Chimi Dorji            | Delegate | Yes |
| 23 | Gopal Gurung           | Delegate | Yes |
| 24 | Dawa Gyeltshen         | Delegate | Yes |
| 25 | Tek Bdr Subba          | Delegate | Yes |
| 26 | Tshering               | Delegate | Yes |



**Annexure VII**

|    |                              |          |     |
|----|------------------------------|----------|-----|
| 27 | Karma Dorji                  | Delegate | Yes |
| 28 | Pelzang Wangchuk             | Delegate | Yes |
| 29 | Rinzin Dorji (Phuentsholing) | Delegate | Yes |
| 30 | Dupthob                      | Delegate | Yes |
| 31 | Lekey Dorji                  | Delegate | Yes |
| 32 | Choida Jamtsho               | Delegate | Yes |
| 33 | Yogesh Tamang                | Delegate | Yes |
| 34 | Kelzang Wangmo               | Delegate | Yes |
| 35 | Dorji Choden                 | Delegate | Yes |
| 36 | Rinzin Jamtsho               | Delegate | Yes |
| 37 | Tshewang Jurmi               | Delegate | Yes |
| 38 | Ugyen Wangdi                 | Delegate | Yes |
| 39 | Karma Rangdol                | Delegate | Yes |
| 40 | Damcho Dorji                 | Delegate | Yes |
| 41 | Rinzin Dorji                 | Delegate | Yes |
| 42 | Namgay Dorji                 | Delegate | Yes |
| 43 | Kinley Om                    | Delegate | Yes |
| 44 | Novin Darlami                | Delegate | Yes |

**Annexure VIII****Annexure VIII: Voting list on the Adoption of Annual National Budget for FY 2017-18****Date: 26/05/2017****Voting: Passed Yes: 43 Abstain: 0 No: 1 Total present: 44**

|    |                        |          |     |
|----|------------------------|----------|-----|
| 1  | Dechen Zangmo          | Delegate | Yes |
| 2  | Tshering Tobgay        | Delegate | Yes |
| 3  | Madan Kumar Chhetri    | Delegate | Yes |
| 4  | Zanglay Drukpa         | Delegate | Yes |
| 5  | Khandu Wangchuk        | Delegate | Yes |
| 6  | Dina Nath Dungyel      | Delegate | Yes |
| 7  | Yeshey Zimba           | Delegate | Yes |
| 8  | Wangdi Norbu           | Delegate | Yes |
| 9  | Jigme Wangchuk (Radhi) | Delegate | Yes |
| 10 | Pema Gyamtsho          | Delegate | Yes |
| 11 | Norbu Wangchuk         | Delegate | Yes |
| 12 | Dorji Wangdi           | Delegate | No  |
| 13 | Nyeema Sangay Tshempo  | Delegate | Yes |
| 14 | Karma Tenzin           | Delegate | Yes |
| 15 | Ritu Raj Chhetri       | Delegate | Yes |
| 16 | Ngedup Zangpo          | Delegate | Yes |
| 17 | Dophu Dukpa            | Delegate | Yes |
| 18 | Pema Drukpa            | Delegate | Yes |
| 19 | Mingbo Dukpa           | Delegate | Yes |
| 20 | Kuenga                 | Delegate | Yes |
| 21 | Sonam Dondup Dorji     | Delegate | Yes |
| 22 | Chimi Dorji            | Delegate | Yes |
| 23 | Gopal Gurung           | Delegate | Yes |
| 24 | Dawa Gyeltshen         | Delegate | Yes |
| 25 | Tek Bdr Subba          | Delegate | Yes |
| 26 | Tshering               | Delegate | Yes |

**Annexure VIII**

|    |                              |          |     |
|----|------------------------------|----------|-----|
| 27 | Karma Dorji                  | Delegate | Yes |
| 28 | Pelzang Wangchuk             | Delegate | Yes |
| 29 | Rinzin Dorji (Phuentsholing) | Delegate | Yes |
| 30 | Dupthob                      | Delegate | Yes |
| 31 | Lekey Dorji                  | Delegate | Yes |
| 32 | Choida Jamtsho               | Delegate | Yes |
| 33 | Yogesh Tamang                | Delegate | Yes |
| 34 | Kelzang Wangmo               | Delegate | Yes |
| 35 | Dorji Choden                 | Delegate | Yes |
| 36 | Rinzin Jamtsho               | Delegate | Yes |
| 37 | Tshewang Jurmi               | Delegate | Yes |
| 38 | Ugyen Wangdi                 | Delegate | Yes |
| 39 | Karma Rangdol                | Delegate | Yes |
| 40 | Damcho Dorji                 | Delegate | Yes |
| 41 | Rinzin Dorji                 | Delegate | Yes |
| 42 | Namgay Dorji                 | Delegate | Yes |
| 43 | Kinley Om                    | Delegate | Yes |
| 44 | Novin Darlami                | Delegate | Yes |

**Annexure IX****Annexure IX: Voting list on the Adoption of Pay Revision for Local Government Members****Date: 26/05/2017****Voting: Passed Yes: 44 Abstain: 0 No: 0 Total present: 44**

|    |                        |          |     |
|----|------------------------|----------|-----|
| 1  | Dechen Zangmo          | Delegate | Yes |
| 2  | Tshering Tobgay        | Delegate | Yes |
| 3  | Madan Kumar Chhetri    | Delegate | Yes |
| 4  | Zanglay Drukpa         | Delegate | Yes |
| 5  | Khandu Wangchuk        | Delegate | Yes |
| 6  | Dina Nath Dungyel      | Delegate | Yes |
| 7  | Yeshey Zimba           | Delegate | Yes |
| 8  | Wangdi Norbu           | Delegate | Yes |
| 9  | Jigme Wangchuk (Radhi) | Delegate | Yes |
| 10 | Pema Gyamtsho          | Delegate | Yes |
| 11 | Norbu Wangchuk         | Delegate | Yes |
| 12 | Dorji Wangdi           | Delegate | Yes |
| 13 | Nyeema Sangay Tshempo  | Delegate | Yes |
| 14 | Karma Tenzin           | Delegate | Yes |
| 15 | Ritu Raj Chhetri       | Delegate | Yes |
| 16 | Ngedup Zangpo          | Delegate | Yes |
| 17 | Dophu Drukpa           | Delegate | Yes |
| 18 | Pema Drukpa            | Delegate | Yes |
| 19 | Mingbo Drukpa          | Delegate | Yes |
| 20 | Kuenga                 | Delegate | Yes |
| 21 | Sonam Dondup Dorji     | Delegate | Yes |
| 22 | Chimi Dorji            | Delegate | Yes |
| 23 | Gopal Gurung           | Delegate | Yes |
| 24 | Dawa Gyeltshen         | Delegate | Yes |
| 25 | Tek Bdr Subba          | Delegate | Yes |
| 26 | Tshering               | Delegate | Yes |

**Annexure IX**

|    |                              |          |     |
|----|------------------------------|----------|-----|
| 27 | Karma Dorji                  | Delegate | Yes |
| 28 | Pelzang Wangchuk             | Delegate | Yes |
| 29 | Rinzin Dorji (Phuentsholing) | Delegate | Yes |
| 30 | Dupthob                      | Delegate | Yes |
| 31 | Lekey Dorji                  | Delegate | Yes |
| 32 | Choida Jamtsho               | Delegate | Yes |
| 33 | Yogesh Tamang                | Delegate | Yes |
| 34 | Kelzang Wangmo               | Delegate | Yes |
| 35 | Dorji Choden                 | Delegate | Yes |
| 36 | Rinzin Jamtsho               | Delegate | Yes |
| 37 | Tshewang Jurmi               | Delegate | Yes |
| 38 | Ugyen Wangdi                 | Delegate | Yes |
| 39 | Karma Rangdol                | Delegate | Yes |
| 40 | Damcho Dorji                 | Delegate | Yes |
| 41 | Rinzin Dorji                 | Delegate | Yes |
| 42 | Namgay Dorji                 | Delegate | Yes |
| 43 | Kinley Om                    | Delegate | Yes |
| 44 | Novin Darlami                | Delegate | Yes |

**Annexure X****Annexure X: Voting list on the Adoption of Fiscal Incentives 2017 (Money Bill)****Date: 05/06/2017****Voting: Passed Yes: 31 Abstain: 1 No: 10 Total present: 42**

|    |                        |          |         |
|----|------------------------|----------|---------|
| 1  | Dechen Zangmo          | Delegate | No      |
| 2  | Tshering Tobgay        | Delegate | Yes     |
| 3  | Madan Kumar Chhetri    | Delegate | Yes     |
| 4  | Zanglay Drukpa         | Delegate | Yes     |
| 5  | Khandu Wangchuk        | Delegate | Yes     |
| 6  | Dina Nath Dungyel      | Delegate | Yes     |
| 7  | Yeshey Zimba           | Delegate | No      |
| 8  | Wangdi Norbu           | Delegate | No      |
| 9  | Jigme Wangchuk (Radhi) | Delegate | No      |
| 10 | Pema Gyamtsho          | Delegate | No      |
| 11 | Nyeema Sangay Tshempo  | Delegate | Yes     |
| 12 | Karma Tenzin           | Delegate | Yes     |
| 13 | Ritu Raj Chhetri       | Delegate | Yes     |
| 14 | Ngedup Zangpo          | Delegate | No      |
| 15 | Dophu Drukpa           | Delegate | Yes     |
| 16 | Pema Drukpa            | Delegate | Yes     |
| 17 | Kuenga                 | Delegate | Yes     |
| 18 | Sonam Dondup Dorji     | Delegate | Yes     |
| 19 | Chimi Dorji            | Delegate | Yes     |
| 20 | Gopal Gurung           | Delegate | Abstain |
| 21 | Dawa Gyeltshen         | Delegate | Yes     |
| 22 | Tek Bdr Subba          | Delegate | Yes     |
| 23 | Tandin Wangchuk        | Delegate | Yes     |
| 24 | Tshering               | Delegate | Yes     |
| 25 | Karma Dorji            | Delegate | Yes     |
| 26 | Pelzang Wangchuk       | Delegate | Yes     |

**Annexure X**

|    |                              |          |     |
|----|------------------------------|----------|-----|
| 27 | Rinzin Dorji (Phuentsholing) | Delegate | Yes |
| 28 | Dupthob                      | Delegate | No  |
| 29 | Lekey Dorji                  | Delegate | Yes |
| 30 | Choida Jamtsho               | Delegate | Yes |
| 31 | Yogesh Tamang                | Delegate | Yes |
| 32 | Kelzang Wangmo               | Delegate | Yes |
| 33 | Dorji Choden                 | Delegate | Yes |
| 34 | Rinzin Jamtsho               | Delegate | No  |
| 35 | Tshewang Jurmi               | Delegate | Yes |
| 36 | Ugyen Wangdi                 | Delegate | No  |
| 37 | Karma Rangdol                | Delegate | No  |
| 38 | Damcho Dorji                 | Delegate | Yes |
| 39 | Rinzin Dorji                 | Delegate | Yes |
| 40 | Namgay Dorji                 | Delegate | Yes |
| 41 | Kinley Om                    | Delegate | Yes |
| 42 | Novin Darlami                | Delegate | Yes |

## **Annexure XI**

**Annexure XI: As per the recommendations of the Committee, the National Assembly of Bhutan has made the following Amendments and adopted the Bhutan Information, Communication and Media Bill 2017.**

### **Preamble**

Amended in Dzongkha

### **Section 1 (1)**

Be called the Bhutan Information, Communications and Media Act of Bhutan ~~2017~~<sup>2016</sup>;

### **Section 3**

This Act shall apply to **any** offences committed outside Bhutan if the offence involves a computer system or network located in Bhutan.

### **Section 5**

Amended in Dzongkha

### **Section 17**

The Ministry may, on approval or ~~endorsement~~<sup>ratification</sup> by the Cabinet, take over the control and management of any ICT or Media facility or services including applications services and/or content applications services or suspend its operation, or entrust any agency of the Government to manage it, during:

### **Section 24**

The amount of compensation under section 23 of this Act shall be determined by the Minister **based on the prevailing market rates or other acceptable methods**, within three months from the date on which the control and management of the ICT and Media facility or service including other services is returned.



## **Annexure XI**

### **Section 27**

A directive issued under section 26 of this Act shall be submitted to the Cabinet for information, ~~if required~~.

### **Section 30**

Amended in Dzongkha

### **Section 31**

The Authority, ~~served~~**supported** by a Secretariat shall be vested with the decision-making and oversight responsibilities ~~of the Authority, and the Authority~~ shall comprise of:

- (1) A Chairperson;
- (2) ~~Three~~**Two** civil servants; ~~and~~
- (3) One member representing the **media or ICT** from private sector;  
**and**
- (4) **One member representing Civil Society Organization;**

### **Section 34**

The ~~two~~**three** Members under section 31 (2) of this Act shall be appointed by the Minister, upon approval of the Cabinet, from a list of names recommended by the Ministry.

### **Section 39**

The Chairperson of the Authority may at any time resign from office by giving notice in writing to the Cabinet, while a Member of the Authority may at any time resign from office by giving **one month** notice in writing to the Minister.

### **Section 42**

~~A~~**The** Chairperson or a Member of the Authority shall not be removed from office under section 41 (4) and (5) of this Act, unless the **Chairperson**

## **Annexure XI**

**ora** Member has been given a reasonable opportunity of being heard on the matter.

### **Section 53**

The quorum for Board meetings shall be ~~a simple majority~~ **two-thirds** of the total membership.

### **Section 57(1)**

Serve as the Member Secretary of the Authority ~~with voting rights~~;

### **Section 59**

The fees and charges including fines and penalties collected by the Authority shall be deposited into the Government Revenue Account with the exception of ~~revenues collected and deposited in the Universal Service Fund account in accordance with~~ section 234 of this Act.

### **Section 61**

The Authority shall adopt Rules **and Regulations** and Code of Conduct for the efficient functioning of the Authority.

### **Section 64(3)**

The establishment of technical standards and Rules **and Regulations** applicable to ICT and Media facilities and services

### **Section 66(6)**

Establish advisory or specialised bodies as it ~~deems~~ **sees** fit for the purpose of advising the Authority on any matter pertaining to the exercise, performance and discharge of its duties, functions and powers under this Act;

## **Annexure XI**

### **Section 73**

The remuneration and other allowances payable to an Advisory body or special invitee shall be as prescribed in the Rules and Regulations **issued** by the Authority.

### **Section 78**

The Authority ~~shall~~**may**, for carrying out effectively and efficiently all its functions and responsibilities under this Act, ~~may~~ develop and ~~approve~~**the** Rules and Regulations ~~in~~ consistent with this Act **for approval by the Ministry.**

### **Section 79**

~~All Rules and Regulations made and approved by the Authority under section 78 of this Act shall be sent to the Minister for endorsement.~~

### **Section 80**

~~The Minister may within thirty days endorse or repudiate the Rules and Regulations submitted by the Authority.~~

### **Section 81**

~~The Rules and Regulations shall become effective only upon endorsement by the Minister.~~

### **Section 95**

~~No legal proceeding or suit shall lie against any Member or employee of the Authority in respect of official duties done in good faith.~~

### **Section 100(4)**

One member nominated from amongst the Civil Society Organisation **related to Media** by the Civil Society Organization authority.

## Annexure XI

### Section 104

A member of the Media Council may resign from office by giving **one month** notice thereof in writing to the Chairperson.

Provided that in the case of the Chairperson such notice shall be addressed to the Ministry.

### Section 113

~~The Ministry shall establish the~~ Bhutan Information, Communication and Media Appellate Tribunal **shall be established as per the provisions of the Constitution**, to act as an appellate body empowered to adjudicate cases against the decision or orders of the Authority, Media Council and Film ~~Council~~Commission or on issues related to the Authority, Media Council and Film Commission.

### Section 114

The Tribunal shall comprise of three members, ~~well-versed in the field of ICT, law or administration and~~ appointed by the **Druk Gyalpo on the recommendation of the National Judicial Commission**.~~Minister in accordance with the Rules and Regulations developed and approved by the Ministry.~~

### Section 125(2)

Amended in Dzongkha

### Section 138

In determining, whether a person is a ‘fit and proper person’, regard shall be **provided**~~had~~ to all the relevant circumstances, including his or her:

## **Annexure XI**

### **Chapter 12**

## **CINEMATOGRAPHIC FILMS, PERFORMANCE OF DRAMAS AND OTHER ENTERTAINMENTS FILM COUNCIL**

### **Section 270**

#### **Film ~~Commission~~ Council**

The Minister shall establish the Film ~~Commission~~**Council** responsible for the promotion, development and providing support to the audio-visual and film industry in the country.

### **Section 271**

The Film ~~Commission~~**Council** shall:

### **Section 272**

The Film ~~Commission~~**Council** shall be funded by:

- (1) ~~Government support~~
- (2) Royalties/ filming permit fees from the films;
- (3) Review and Certification fees;
- (4) ~~International donors and agencies;~~
- (5) ~~Film and entertainment tax levied on or within the film industry;~~
- (6) Payment for professional services rendered to international film productions;
- (7) Payment for rental of film studio and film equipment; and
- (8) Other fees collected by the Film ~~Commission~~**Council** as may be approved by the Government from time to time **and the Government Grant.**

## **Annexure XI**

### **Section 273**

In addition to Section 272, the government shall ensure, as far as practicable, that the Film ~~Commission~~**Council** is adequately financed to enable it to exercise its functions and discharge its responsibilities as provided under this Act.

### **Section 274**

~~The Film Commission shall be constituted with five members appointed by the Cabinet upon recommendation by the Ministry from amongst people who are knowledgeable in the field of film, media or people from relevant background.~~

~~The Film Commission shall be constituted with five members appointed by the Cabinet upon recommendation by the Ministry from amongst people who are knowledgeable in the field of film, media or people from relevant background.~~

**The Film Council shall comprise of the following members appointed by the Cabinet upon recommendation of the Ministry:**

- (1) Three civil servants including one from BICMA**
- (2) Two members representing the private sector**

### **Section 276**

The Members of the Film ~~Commission~~**Council** shall hold office for period of three years and may be appointed for one additional term.

### **Section 277**

The Members of the Film ~~Commission~~**Council** shall elect a Chairperson from among its members through a secret ballot at the first meeting of the commission or whenever a vacancy occurs.

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### **Section 278**

A member of the Film ~~Commission~~**Council** may resign from office by giving notice thereof in writing to the Chairperson and whereas in the case of Chairperson such notice shall be addressed to the Ministry.

### **Section 279**

The resignation shall have effect from the date of acceptance by the Chairperson for the members of the Film ~~commission~~ **Council** and from the date of acceptance by the Minister for the Chairperson.

### **Section 280**

A member of the Film ~~Commission~~**Council** shall be removed by the Cabinet, if he or she:

### **Section 281**

Where a vacancy occurs in the membership of the Film ~~Commission~~ **Council**, the appointment procedure under sections 274, 275 and 276 of this Act.

### **Section 282**

The Film ~~Commission~~**Council** shall maintain proper books and other records of accounts of the income, expenditure, assets and liabilities.

### **Section 283**

The Royal Audit Authority shall carry out annual audit of the Film ~~Commission~~**Council**.

### **Section 284**

There shall be established a secretariat of the Film ~~Commission~~**Council** headed by an Executive who shall be the legal representative of the ~~Commission~~ **Council**.

## **Annexure XI**

### **Section 285**

The Executive and other employees of the Film ~~Commission~~**Council** shall be appointed by the Royal Civil Service Commission.

### **Section 286**

For the purpose of this Chapter, the Rules and Regulations shall be developed by the Film ~~Commission~~**Council** and approved by the Ministry.

### **Section 287**

The Ministry shall in consultation with the Ministry of Finance determine remuneration and service conditions of the members of the Film ~~Commission~~**Council** which shall be specified under the Rules and Regulations.

### **Section 289**

The Film ~~Commission~~**Council** shall manage the Film Development Fund in accordance with the Rules and Regulations approved by the Minister.

### **Section 290**

The corpus of the Film Development Fund that will be managed directly by the Film ~~Commission~~**Council**, shall be constituted through:

### **Section 291**

The producer, owner or importer of every film which is intended for public exhibition by any mode of ICT or media within Bhutan shall submit a copy of the film for examination by the Film ~~Commission~~**Council** in such manner and in such format as may be prescribed in the Rules and Regulations approved by the Minister.



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### **Section 292**

~~The Film Commission shall, after examining the film based on pre-defined and transparent criteria set up in the Rules and Regulations:~~

**The Film Council shall certify the films for public viewing based on the guidelines approved by it in consultation with the Ministry:**

### **Section 293**

In the event of the Film ~~Commission~~**Council** deciding on section 292(4) and (5) of this Act, it shall, before making the decision, give the producer or owner of the film a reasonable opportunity of making representations against such recommendation, and it shall give due consideration to the representation made.

### **Section 294**

A copy of the certificate granted or an order refusing to grant a certificate in respect of any film shall be duly recorded by the Film ~~Commission~~**Council**.

### **Section 295**

A copy of any certificate issued by the Film ~~Commission~~**Council** shall be included prominently at the beginning of every copy of the film before it is sent out for public exhibition.

### **Section 296**

A film intended for public exhibition shall not be advertised to the general public through any medium before the grant of a certificate by the Film ~~Commission~~ **Council**.

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### **Section 298**

A person to whom a certificate is granted under section 292 of this Act shall deposit, free of charge, a copy of the film with the Film ~~Commission~~**Council** at the time of the grant of the certificate.

### **Section 299**

Where the Film ~~Commission~~**Council** is satisfied, either on receipt of a complaint from any member of the public or on its own motion, that any film which is publicly exhibited is likely to be detrimental to the public interest or the interests of public order in any area, may, in writing, order the suspension of the screening of the film in that area for such period as may be specified in the order.

### **Section 301**

Any person who is aggrieved by an order of the Film ~~Commission~~**Council** may submit an appeal to the Appellate Tribunal.

### **Section 303**

The Appellate Tribunal may pass such order as it ~~thinks~~**deems** fit, confirming, modifying or reversing the decision of the Film ~~Commission~~**Council** and may make further orders as to costs in relation to any appeal.

### **Section 304**

The Film ~~Commission~~**Council** shall require a person who submits a film for certification or shows to pay fees as may be prescribed in the Rules and Regulations.

## **Annexure XI**

### **Section 305**

The ~~Film Commission~~**Council** may also charge such fees as it ~~thinks~~**deems** fit for any other service rendered by it to any person under the provisions of this Act.

### **Section 340**

In assessing the evidential weight of a data message, regard shall be ~~made had~~ to the reliability of the manner in which the data message was generated, stored or communicated, to the reliability of the manner in which the integrity of the information was maintained, to the manner in which its originator was identified, and to any other relevant factor.

### **Section 373**

A person who is dissatisfied with the decision of the ICT and Media facility or service provider under section 371 of this Act, may file a complaint to the Authority ~~and subsequently~~**or** to the Office of Consumer Protection, in accordance with the Consumer Protection Act of Bhutan.

### **Section 417**

The procedure and safeguards for blocking access by the public, interception or monitoring or decryption may be carried out in accordance with the Rules and Regulations issued by the ~~Minister~~**Ministry**;

### **Section 422**

*(Inserted under definition)*

### **Section 428**

Where any person possessing, dealing or handling any personal data including sensitive personal data or information in a computer **or**

## **Annexure XI**

computer network **or** data **or** computer database or software which the person owns, controls or operates is negligent in implementing and maintaining reasonable security practices and procedures and thereby causes wrongful loss or wrongful gain to any person, such person shall be liable to pay compensation to the victim for the damage caused, as determined by the Court.

*(Moved under chapter 22: Offences and Penalties)*

### **Sections 429, 430, 431, 433)**

*(Moved under chapter 22: Offences and Penalties)*

### **Section 432**

*(Inserted under definition)*

### **Section 434**

A person who owns or operates any ICT and Media facility or services without a valid license shall be guilty for offence of misdemeanor and all facilities, apparatus, equipment, device, thing or matter used in the commissioning of the offence shall be liable for forfeiture **and shall be liable for fine as prescribed in the Rules and Regulations.**

### **Section 435**

A person who publishes a newspaper without a license under this Act shall be liable for offence of misdemeanor **and shall be liable for fine as prescribed in the Rules and Regulations.**

### **Section 436**

A person who keeps, maintains, operates, uses or knowingly allows to be used **in** any place which provides ICT and Media facilities and services without a license shall be liable for offence of misdemeanor and shall be

## **Annexure XI**

fined ~~an amount~~ as may be prescribed by the Authority in the Rules and Regulations ~~made thereunder~~.

### **Section 438**

If a person keeps or uses a printing press in contravention with section 237 of this Act, such person shall be liable for offence of misdemeanor **and shall be liable for fine as prescribed in the Rules and Regulations.**

### **Section 439**

~~Notwithstanding section 438 of this Act, the Authority may impose a fine as may be prescribed in the Rules and Regulations developed by the Authority.~~

### **Section 441**

A person shall be **and shall be liable for fine as prescribed in the Rules and Regulations.** ~~liable for felony of fourth degree,~~ if he or she within Bhutan knowingly:

### **Section 442**

A person shall be liable **for action in accordance with the Rules and Regulations developed by the Authority** ~~for offence of misdemeanour,~~ if he or she:

### **Section 443**

~~Notwithstanding anything contained under section 442 of this Act, the Authority may impose a fine as may be prescribed in the Rules and Regulations.~~

### **Section 446**

A person who does not comply with the direction issued under sections 416 and 419 of this Act with regard to blocking for access by the public

## **Annexure XI**

and monitoring suspicious traffic data based on court warrant, shall be guilty of an offence liable to conviction of **petty** misdemeanour **and may be liable for fine as prescribed in the Rules and Regulations.**

### **Section 452**

A person shall be liable for ~~offence~~ **fine as prescribed in the Rules and Regulations** ~~petty misdemeanour~~, if he or she:

### **Section 453**

~~Notwithstanding anything contained under section 452 of this Act, the Film Commission may impose a fine as may be prescribed in the Rules and Regulations.~~

### **Section 454**

A person who exhibits, or assists in the exhibition, or allows the use of the premises for the exhibition, of the film in respect of which an order under section 295 of this Act, ~~has been made~~ **and shall be liable for fine as prescribed in the Rules and Regulations.** ~~be guilty of the offence of breach of public order and tranquillity as per the Penal Code of Bhutan.~~

### **Section 455**

A person shall be liable **for fine as prescribed in the Rules and Regulations** ~~for offence of misdemeanour~~, if he or she willfully disobeys the order under section 299 of this Act, by:

### **Section 456**

If the act of disobedience under section 455 of this Act, occurs under aggravated circumstances, the person shall be liable for offence **of misdemeanour.** ~~felony of fourth degree.~~

**Annexure XI****Section 457**

Any person who issues an advertisement or other publicity material in breach of the provisions of sections 296 and 297 of this Act shall be liable for **fine as prescribed in the Rules and Regulations**. ~~offence of petty misdemeanour.~~

**Section 460**

A person accessing computers **or** computer systems **or** networks **or** computer data **or** content data and traffic data, with intent to cause, or knowing that it is likely to cause, wrongful loss or gain or damage to the public or to any person, causes a stoppage or denial of service from a computer or computer system, or network deletes or alters any information or computer data residing in a computer or computer system or network or diminishes its value or utility or affects it injuriously by any means, or Intentionally introduces or causes to be introduced, any computer contaminant into any computer, computer system or network, commits the offence of tampering with computer material liable under the Penal Code of Bhutan.

**Section 464**

A person who, by means of any ICT facility or apparatus or computer cheats by impersonating shall be liable for offence of **misdemeanour** ~~felony of fourth degree.~~

**Section 471**

A person who knowingly makes, by means of an ICT device, apparatus or system, any harassing communication in any form shall be guilty of the offence of online harassment liable for offence of **petty** misdemeanour

## **Annexure XI**

and may be required to pay compensation to the victim for the damage caused, as determined by the Court.

### **Section 472**

*(Inserted under definition)*

### **Section 475**

~~A person who knowingly engages in betting or wagering with the use of an ICT facility or ICT service shall be guilty of the offence of gambling under the Penal Code of Bhutan.~~

## **PROHIBITION OF ONLINE GAMBLING**

- (1) A person shall be guilty of the offence of gambling if he knowingly engages in betting or wagering with the use of an ICT facility or ICT service.**
- (2) An online gambler and Internet service provider, if involved in any activity related to betting or wagering, shall fall within the purview of Sub-section (1) and the term “betting or wagering” encompasses the offering of prizes in lieu of money.**
- (3) In addition to the penalties prescribed by the Penal Code for this offence, an additional fine may be imposed as deemed appropriate by the Court.**
- (4) This Section shall not affect the possibility for a Court or the Authority of requiring the ICT facility or ICT service provider and the Internet service provider to terminate or prevent an infringement.**



## Annexure XI

**(5) This Section shall not apply to any betting or wagering activity approved or licensed by the Government.**

### Section 478

A person who dishonestly obtains a service provided by means of a public ICT system with intent to avoid payment of any charge applicable to the provision of the service shall be liable **for fine as prescribed in the Rules and Regulations.**~~for offence of petty misdemeanour.~~

### Section 479

A person who uses any authorisation code, password or any other restricted form of electronic access information or device for the purpose of obtaining a service provided by means of a public ICT system with intent to avoid payment of any charge applicable to the provision of the service shall be liable **for fine as prescribed in the Rules and Regulations.**~~for offence of petty misdemeanour.~~

### Section 483

A public servant shall be guilty of an offence of official misconduct as per the Penal Code of Bhutan, if ~~he or she~~ **a person**, except as permitted by law, either:

### Section 484

A person who without due authority affixes or attempts to affix any billboard, advertisement, notice, list, document, board or other thing in or on any office, or other property belonging to or used by the provider of a ICT and Media facility or services **may be liable to pay fine as prescribed in Rules and Regulations.**~~shall be guilty of the offence of unlawful posting of advertisement as per the Penal Code of Bhutan.~~

## **Annexure XI**

### **Section 485**

~~Notwithstanding anything contained under section 484 of this Act, the Authority may impose a fine as may be prescribed in the Rules and Regulations.~~

### **Section 486**

A person **shall be guilty of the offence as per the Penal Code of Bhutan, if he or she who:**

- (1) Obstructs the exercise of the powers conferred under this Act,  
~~shall be guilty of the offence of obstruction of lawful authority as per the Penal Code of Bhutan; or~~
- (2) Fails or refuses to give any assistance as required under this Act  
~~Shall be guilty of the offence of failure to assist lawful authority as per the Penal Code of Bhutan.~~

### **Section 490**

The Authority may impose reasonable penalty prescribed under the Rules and Regulations ~~as endorsed by the Ministry~~ for a particular offence which is not covered by this Act.

### **Section 501**

Where the relevant property remains in the possession of the Authority after the end of the period of one year immediately following the end of the period for which its retention is authorised by section 498 of this Act, and it has not been possible to return it to its lawful owner, the Authority may disposed-off in such manner as it **deems** ~~thinks~~ fit.

## **Annexure XI**

### **Section 510 (title)**

Power to make Rules **and** Regulations

### **Section 515**

**‘Critical information infrastructure’ means the ICT and media infrastructure, the incapacitation or destruction of which, shall have debilitating impact on national security, economy, public health, social welfare or safety.**

(Moved from S. 422)

**‘Computer source code’ means the listing of programmes, computer commands, design and layout and programme analysis.**

(Moved from S. 432)

**‘Harassment’ shall include persistent conduct which is calculated, or likely to cause insult, injury, intimidation, enmity, obstruction, stalking, annoyance, distress, or extreme irritation to any person, making use of such ICT device, apparatus or facility or system.**

(Moved from S. 472)

**Annexure XII****Annexure XII: Voting List on the Information, Communication & Media Bill of Bhutan 2017****Date: 06/06/2017****Time: 10:31:45 a.m.****Voting: Passed Yes: 40 Abstain: 1 No: 0 Total present: 41**

|    |                        |          |         |
|----|------------------------|----------|---------|
| 1  | Dechen Zangmo          | Delegate | Yes     |
| 2  | Tshering Tobgay        | Delegate | Yes     |
| 3  | Madan Kumar Chhetri    | Delegate | Yes     |
| 4  | Yeshey Dorji           | Delegate | Yes     |
| 5  | Zanglay Drukpa         | Delegate | Yes     |
| 6  | Khandu Wangchuk        | Delegate | Yes     |
| 7  | Dina Nath Dungyel      | Delegate | Yes     |
| 8  | Wangdi Norbu           | Delegate | Yes     |
| 9  | Jigme Wangchuk (Radhi) | Delegate | Yes     |
| 10 | Pema Gyamtsho          | Delegate | Abstain |
| 11 | Dorji Wangdi           | Delegate | Yes     |
| 12 | Nyeema Sangay Tshempo  | Delegate | Yes     |
| 13 | Karma Tenzin           | Delegate | Yes     |
| 14 | Ritu Raj Chhetri       | Delegate | Yes     |
| 15 | Ngedup Zangpo          | Delegate | Yes     |
| 16 | Dophu Dukpa            | Delegate | Yes     |
| 17 | Pema Drukpa            | Delegate | Yes     |
| 18 | Mingbo Dukpa           | Delegate | Yes     |
| 19 | Kuenga                 | Delegate | Yes     |
| 20 | Sonam Dondup Dorji     | Delegate | Yes     |
| 21 | Chimi Dorji            | Delegate | Yes     |
| 22 | Gopal Gurung           | Delegate | Yes     |
| 23 | Dawa Gyeltshen         | Delegate | Yes     |
| 24 | Tek Bdr Subba          | Delegate | Yes     |
| 25 | Tandin Wangchuk        | Delegate | Yes     |

**Annexure XII**

|    |                       |          |     |
|----|-----------------------|----------|-----|
| 26 | Tshering              | Delegate | Yes |
| 27 | Karma Dorji           | Delegate | Yes |
| 28 | Pelzang Wangchuk      | Delegate | Yes |
| 29 | Rinzin Dorji (P/ling) | Delegate | Yes |
| 30 | Lekey Dorji           | Delegate | Yes |
| 31 | Choida Jamtsho        | Delegate | Yes |
| 32 | Yogesh Tamang         | Delegate | Yes |
| 33 | Kelzang Wangmo        | Delegate | Yes |
| 34 | Dorji Choden          | Delegate | Yes |
| 35 | Rinzin Jamtsho        | Delegate | Yes |
| 36 | Tshewang Jurmi        | Delegate | Yes |
| 37 | Ugyen Wangdi          | Delegate | Yes |
| 38 | Karma Rangdol         | Delegate | Yes |
| 39 | Rinzin Dorji          | Delegate | Yes |
| 40 | Kinley Om             | Delegate | Yes |
| 41 | Novin Darlami         | Delegate | Yes |

## **Annexure XIII**

### **Annexure XIII: Committee recommendations on the Anti-Money Laundering and Countering Financing of Terrorism Bill 2017**

#### **Section 3.1**

Any person who engages in an activity relating to the **Money Laundering (ML)** and **Financing Terrorism (FT)**; and

#### **Section 3.2**

**(Amended in dzongkha)**

#### **Section 4.2**

Sections 277, 278 and 329 (b) of the Penal Code of Bhutan 2004

#### **Section 8**

The Director shall be appointed by the ~~Governor~~**board** of the Royal Monetary Authority in accordance with the service rules of Royal Monetary Authority.

**(Amended in dzongkha)**

#### **Section 9**

The Director shall be appointed for a period of five years and may be eligible for **one another term**~~re-appointment~~.

#### **Section 10.1**

**(Amended in dzongkha)**

#### **Section 12.2**

ensure that the Financial Intelligence Department carries out the functions and duties under this **Act**.

## **Annexure XIII**

### **Section 13**

**(Amended in dzongkha)**

### **Section 14**

**(Amended in dzongkha)**

### **Section 16**

#### **Resources**

**(Amended in dzongkha)**

### **Section 17.1**

Request information from a foreign counterpart and to provide information to a foreign counterpart as prescribed in the rules and regulations, provided appropriate undertakings as to how such information is to be used by the agency with which the information is to be ~~disseminated~~**shared** is received;

### **Section 17.2**

~~Disseminates~~**share** information received from a foreign counterpart to a law enforcement agency if such dissemination is subject to the same reservations and conditions imposed by the foreign counterpart.

### **Section 17.3**

**(Amended in dzongkha)**

### **Section 17.4**

**(Amended in dzongkha)**

### **Section 17.4.2**

**(Amended in dzongkha)**

## **Annexure XIII**

### **Section 17.5**

**(Amended in dzongkha)**

### **Section 18**

**(Amended in dzongkha)**

### **Section 18.1**

**(Amended in dzongkha)**

**After section 18, new section inserted**

**A copy of a temporary freezing notice shall be given to the relevant owner.**

### **Section 19**

**(Amended in dzongkha)**

### **Section 20**

**(Amended in dzongkha)**

### **Section 20.1**

**(Amended in dzongkha)**

### **Section 20.2**

**(Amended in dzongkha)**

### **Section 20.3**

**(Amended in dzongkha)**

### **~~Section 22.1~~**

**receive gather** suspicious transaction reports and other reports required by this Act and the rules and regulations from Reporting Entity;



## **Annexure XIII**

### **Section 22.2**

~~receive~~**gather** other information from Reporting Entity or other sources that is required for the proper analysis of suspicious transaction reports and other reports required under this Act;

### **Section 22.3**

**(Amended in dzongkha)**

### **Section 22 (4)**

~~disseminate~~ share intelligence reports, either on their own or upon request to any law enforcement agency where there is a suspicion that money laundering, terrorist financing or other offence has **taken** or is about to take place

### **Section 22.5**

Undertake strategic analysis of the data ~~available~~ for identifying money laundering and terrorist financing trends and methodologies;

### **Section 22.6**

**(Amended in dzongkha)**

### **Section 22.7**

**(Amended in dzongkha)**

### **Section 22.8**

**(Amended in dzongkha)**

### **Section 22.9**

**(Amended in dzongkha)**

## **Annexure XIII**

### **Section 22.10**

**(Amended in dzongkha)**

### **Section 22.11**

**(Amended in dzongkha)**

### **Section 22.12**

Carry out such other functions as may be prescribed in the Act and rules and regulations.

Any person found guilty of non-compliance ~~undertake~~ to this ~~Section~~ **Chapter** shall be liable by a fine as prescribed in the rules and regulations.

## **Chapter 3**

**(Amended in dzongkha)**

### **Section 23**

**(Amended in dzongkha)**

### **Section 23.1**

**(Amended in dzongkha)**

### **Section 23.2**

**(Amended in dzongkha)**

### **Section 24**

**Identification of Supervisor**

**(Amended in dzongkha)**

### **Section 24**

**(Amended in dzongkha)**

## **Annexure XIII**

### **Section 26.1**

**(Amended in dzongkha)**

### **Section 26.3**

**(Amended in dzongkha)**

### **Section 29**

**(Amended in dzongkha)**

### **Section 30**

**(Amended in dzongkha)**

### **Section 31**

The Supervisor shall take a ~~risk-based~~**risk-based** approach to the ongoing supervision of a Reporting Entity that is subject to its supervision.

### **Section 32**

**(Amended in dzongkha)**

### **Section 32.1**

**(Amended in dzongkha)**

### **Section 32.1(A)**

**(Amended in dzongkha)**

### **Section 33**

**(Amended in dzongkha)**

### **Section 34**

**(Amended in dzongkha)**

## **Annexure XIII**

### **Section 34.1**

**(Amended in dzongkha)**

### **Section 34.2**

**(Amended in dzongkha)**

### **Section 34.3**

**(Amended in dzongkha)**

## **CHAPTER IV**

**(Amended in dzongkha)**

### **Section 35**

**(Amended in dzongkha)**

### **Section 36**

**(Amended in dzongkha)**

### **Section 37**

**(Amended in dzongkha)**

### **Section 37.1**

**(Amended in dzongkha)**

### **Section 37.1**

Record findings of the risk assessment in writing and make it available to its Supervisor for review ~~upon request~~

### **Section 38**

**(Amended in dzongkha)**

## **Annexure XIII**

### **Section 38.1**

**(Amended in dzongkha)**

### **Section 38.2**

**(Amended in dzongkha)**

### **Section 39**

**(Amended in dzongkha)**

### **Section 40**

The programs to be developed under Section 39 of this Act shall be commensurate with ~~their~~the size, ~~and~~the complexity of ~~the~~their business, and the money laundering and terrorist financing threats identified in their risk assessment and these shall include:

### **Section 40.1**

**(Amended in dzongkha)**

### **Section 40.2**

Adequate screening procedures to ensure that only appropriately qualified ~~employees of good character~~persons are employed;

### **Section 40.3**

~~ongoing~~periodic training for directors, officers and employees to maintain awareness of the Act, regulations, rules, guidelines and internal policies and procedures relating to money laundering and terrorist financing and to provide guidance on the identification of suspicious transactions, behavior and the procedures to be followed to deal with this.

## **Annexure XIII**

### **Section 41**

**(Amended in dzongkha)**

### **Section 41.2**

**(Amended in dzongkha)**

### **Section 41.3**

consistent with any requirements prescribed under the rules and regulations **of this Act**; and

### **Section 41.4**

**(Amended in dzongkha)**

### **Section 42**

The Reporting Entity shall designate a compliance officer at the senior management level to be responsible for the implementation of, and ~~ongoing~~ **periodic** compliance with, this Act and the rules and regulations

### **Section 43**

**(Amended in dzongkha)**

### **Section 43.1**

**(Amended in dzongkha)**

### **Section 43.2**

**(Amended in dzongkha)**

### **Section 44**

**(Amended in dzongkha)**

## **Annexure XIII**

### **Section 45**

If a Reporting Entity fails to perform the function under Section 44 of this Act, its Supervisor or the Financial Intelligence Department pursuant to Chapter II may **directly** take enforcement action.

### **Section 46**

**(Amended in dzongkha)**

### **Section 47**

The procedures and controls that the Reporting Entity are required to develop under this Chapter shall include procedures for the identification and verification of their customers and procedures for ~~ongoing~~ customer due diligence.

### **Section 48**

**(Amended in dzongkha)**

### **Section 49**

**(Amended in dzongkha)**

### **Section 50**

The Reporting Entity shall not enter into ~~or continue~~ correspondent banking relationships with shell banks.

### **Section 51**

The Reporting Entity shall satisfy ~~themselves~~**itself** that respondent banks do not permit their accounts to be used by shell banks.

### **Section 52**

**(Amended in dzongkha)**

## **Annexure XIII**

### **Section 52.1**

Maintain all books and records with respect to ~~their~~ its customers and transactions in accordance with Section 53; and

### **Section 52.2**

**(Amended in dzongkha)**

### **Section 53.1**

records obtained through customer due diligence measures, including account files, business correspondence, and copies of all documents evidencing the identities of customers and beneficial owners, and records and the results of any analysis undertaken in accordance with this Act, ~~all of which~~ **Such books and records** shall be maintained for not less than ten years after the business relationship has ended;

### **Section 53.2**

**(Amended in dzongkha)**

### **Section 53.3**

the record of any findings resulting from customer risk analysis and related transaction information undertaken in accordance with internal policies, ~~and procedures under this Act~~ **procedures and rules and regulations**, and which shall be maintained for at least five years from the date of the transaction

### **Section 53.2**

copy of suspicious transaction reports or other reports made to the Financial Intelligence Department ~~under this Act~~, including any accompanying documentation, which shall be maintained for at least ten years from the date the report was made; and



## **Annexure XIII**

### **Section 53.5**

**(Amended in dzongkha)**

### **Section 54**

**(Amended in dzongkha)**

### **Section 54.1**

**(Amended in dzongkha)**

### **section 54.2**

**(Amended in dzongkha)**

### **Section 55**

**(Amended in dzongkha)**

### **Section 56**

**(Amended in dzongkha)**

### **Section 57**

**(Amended in dzongkha)**

### **Section 57.2**

**(Amended in dzongkha)**

### **Section 58**

**(Amended in dzongkha)**

### **Section 61**

#### **Confidentiality, Tipping off and Protections for Persons making Reports**

No confidentiality or secrecy provision in any other law shall prevent the Reporting Entity from fulfilling its obligations under this Act.

## **Annexure XIII**

### **Section 64**

**(Amended in dzongkha)**

### **Section 65**

**Subject to Notwithstanding** Section 64 of this Act any Reporting Entity, or director, partner employee, agent, advisor or contractor of a Reporting Entity shall not disclose to a customer or a third party, other than for the purposes of obtaining legal advice, that:

## **CHAPTER V**

**(Amended in dzongkha)**

### **Section 66**

**(Amended in dzongkha)**

### **Section 67.1**

The Department of Law and Order **in respect of United Nations Security Council Resolutions requiring targeted financial sanctions:**  
**(Amended in dzongkha)**

### **Section 67.2**

**(Amended in dzongkha)**

### **Section 67.3**

shall have the power to collect or solicit information from relevant agencies, property registries and any other person who is reasonably believed to have in his or her possession, custody or control of the assets of any listed party; and the **powers to authorize the Royal Bhutan Police in this respect;**

## **Annexure XIII**

### **New Section**

**Shall have the power or authorize its powers to the Royal Bhutan Police to collect all necessary information/evidence from relevant agencies and person for the purpose of designation by the relevant Sanctions Committee.**

### **Section 67.4**

**(Amended in dzongkha)**

### **Section 67.6**

**(Amended in dzongkha)**

### **Section 67.7**

may disseminate **share** relevant information as may be necessary for the implementation of the United Nations Security Council Resolutions that requires the imposition of targeted financial sanctions; and

### **Section 68**

**(Amended in dzongkha)**

### **Section 69**

**(Amended in dzongkha)**

### **Section 72.2**

**(Amended in dzongkha)**

### **Section 72.3**

**(Amended in dzongkha)**

### **Section 73**

**(Amended in dzongkha)**

## Annexure XIII

### Section 74

In the absence of a negative decision from the competent United Nations Sanctions Committee under Section 67 of this Act within the time period provided under the United Nations Sanction Committee's rules or practices, the Department ~~make~~**may issue** an order under Section 72 of this Act

### Section 75

**(Amended in dzongkha)**

### Section 76

The Domestic Designation Committee shall comprise of the:

~~(1) Minister of Home and Cultural Affairs;~~ **(Amended in dzongkha)**

1) Secretary for Ministry of Home and Cultural Affairs

(2) Secretary for Ministry of Foreign Affairs;

**(3) Secretary for Finance ministry (Amended in dzongkha)**

(4) Chief of Police, Royal Bhutan Police;

(5) Director/~~or~~ Director General, Department of Law and Order, MHCA

(6) Director/~~or~~ Director General, Department of Immigration, MoHCA

(7) Director, Financial Intelligence Department, RMA

(8) Representative of the Royal Bhutan Army.

### Section 77

The ~~Minister~~**Secretary** of Home and Cultural Affairs shall be the Chairperson of the Domestic Designation Committee.

### Section 78

the Designating Committee shall meet whenever there are proposed name list for designation and the quorum of the meeting shall be ~~six member~~**two third**.

## **Annexure XIII**

### **Section 79**

**(Amended in dzongkha)**

### **Section 80**

**(Amended in dzongkha)**

### **Section 81**

**(Amended in dzongkha)**

### **Section 82**

The Domestic Designation Committee may limit the operation of an order made under Section 81(2) of this Act to property located within Bhutan or, where appropriate, may extend the operation of the order to property of the designated person located anywhere in the world.

### **Section 84**

The Domestic Designation Committee may designate a person or organization irrespective of whether there is a criminal investigation or proceeding against them **or not**

### **Section 85**

**(Amended in dzongkha)**

### **Section 86**

The Domestic Designation Committee shall regularly review the person or organization designated under Section 81 of this Act and ~~satisfies~~**satisfy** itself that reasonable grounds to maintain the designation continue to exist.

### **Section 87**

**(Amended in dzongkha)**

## **Annexure XIII**

### **Section 88**

**(Amended in dzongkha)**

### **Section 89**

A person or organization designated ~~by the Domestic Designation Committee~~ under Section 81 of this Act may apply to the Department for removal of their designation.

### **Section 90**

The Department shall submit the application under section 86 **89** of this Act to the Domestic Designation Committee.

### **Section 91**

While considering application under Section **90** of this Act, the Domestic Designation Committee if satisfied that there are insufficient grounds to maintain the listing under Section 81 of this Act, shall remove the designation of the person or organization.

### **Section 92**

**(Amended in dzongkha)**

### **Section 93**

**(Amended in dzongkha)**

### **Section 94**

**(Amended in dzongkha)**

### **Section 95**

The property of a person **or organization** listed pursuant to Section 67(4) of this Act or designated pursuant to Section 81(2) of this Act shall include funds or other assets:

## **Annexure XIII**

### **Section 95.1**

**(Amended in dzongkha)**

### **Section 95.2**

Derived or generated from funds or other assets owned or controlled directly or indirectly **or otherwise** by the person or organization; and

### **Section 96.1**

**(Amended in dzongkha)**

### **Section 96.2**

**(Amended in dzongkha)**

### **Section 96.3**

shall submit request **of** domestic designation in Bhutan from the competent authority of a foreign country for consideration by the Designation Committee;

### **Section 96.4**

Shall, **on its own or by authorizing the Royal Bhutan Police**, collect or solicit information from relevant agencies, property registries and any other person who is reasonably believed to have in his/**or** her possession, custody or control the property of any person or organization designated under Section 79 of this Act;

### **NEW SECTION**

**Shall have the power to direct the Royal Bhutan Police to undertake necessary investigations for the purpose of designation.**

### **Section 96.5**

may ~~disseminate~~**share** relevant information as may be necessary for the purposes of the implementation of this Chapter; and

## **Annexure XIII**

### **Section 96.6**

**(Amended in dzongkha)**

### **Section 97**

Where a person is designated by the Domestic Designation Committee under Section 81 of this Act, the Department shall issue formal notice of the designation **and publish it** as soon as practicable.

### **Section 98**

**(Amended in dzongkha)**

### **Section 99**

**(Amended in dzongkha)**

### **Section 100**

**(Amended in dzongkha)**

### **Section 102**

The Department may prescribe such conditions for the payment of funds under Section 101 of this Act as it thinks fit to prevent the funds ~~to be~~**from being** used for terrorism financing.

### **Section 103**

The Department may allow receipt of other ~~payments~~**amounts** into frozen accounts if provided for and in line with the requirements of any relevant United Nations Security Council Resolution with regard to targeted financial sanctions.

### **Section 104.1**

**(Amended in dzongkha)**



## **Annexure XIII**

### **Section 104.2**

Not make, **unless authorized in accordance with the provisions of this Act** any funds or other assets, economic resources, or financial or other related services, available, directly or indirectly, wholly or jointly, for the benefit of :

- a. any person or organization listed pursuant to Section 67(4) or designated under section 81 of this Act;**
- b. any person or organization owned or controlled, directly or indirectly, by such a person, or organization; and**
- c. any person or organization acting on behalf of or at the direction of such a person or organization;**

### **Section 104.3**

**(Amended in dzongkha)**

### **Section 106**

**(Amended in dzongkha)**

### **Section 107**

The Department shall examine an application received under Section 105 of this Act and may ~~request~~**seek** such additional information including documents as may be necessary from the affected party, any relevant agency or any person who has in his or her possession, custody or control the frozen property of an affected party to make a ~~determination~~**determine** as to whether the affected party is not listed pursuant to Section 67(4) of this Act or designated pursuant to Section 81 of this Act.

### **Section 108**

**(Amended in dzongkha)**

## **Annexure XIII**

### **Section 109**

**(Amended in dzongkha)**

### **Section 111**

The objective of the National Coordination Committee ~~is~~**are** to:

#### **Section 111.1**

coordinate the implementation of the National **Anti Money Laundering (AML) and Countering Financing of Terrorism (CFT)** Strategy of Bhutan;

#### **Section 111.2**

coordinate the undertaking of any National **Anti Money Laundering (AML) and Countering Financing of Terrorism (CFT)** Risk Assessment or the updating of such an assessment; **and**

#### **Section 111.3**

**(Amended in dzongkha)**

### **Section 112**

**(Amended in dzongkha)**

#### **Section 112.7**

Bhutan Narcotic Control ~~Agency~~**Authority**;

### **Section 114**

The National Coordination Committee shall designate one of its members as deputy chairperson of the National Coordination Committee, and **in the absence of the Chairperson**, the deputy chairperson shall act as Chairperson.

## **Annexure XIII**

### **Section 115**

**(Amended in dzongkha)**

### **Section 116**

**(Amended in dzongkha)**

### **Section 117**

The National Coordination Committee shall meet at least twice a year and the quorum of the meeting shall be ~~six~~**two third of the members.**

### **Section 118**

**(Amended in dzongkha)**

### **Section 119.1**

Develop ~~upon~~ an action plan for the countering of money laundering and the financing of terrorism in Bhutan;

### **Section 119.2**

~~providing~~**provide** necessary guidance to all concerned in implementing the policies made;

### **Section 119.3**

~~ensuring~~**ensure** coordination among different ministries or agencies;

### **Section 119 (4)**

Co-ordinate national policies with regional and international ~~initiative~~**initiatives**;

### **Section 119.5**

**review**and ensure Bhutan's compliance **with** international standards for anti money laundering and combating financing of terrorism;

## **Annexure XIII**

### **Section 119.6(a)**

recommendations ~~against~~ **on** money laundering and the financing of terrorism;

### **Section 119.7**

**(Amended in dzongkha)**

### **Section 119.8**

identify and propose remedy on any overlap or discrepancy ~~between the proposed system~~ **amongst systems** to counter money laundering ~~and the existing system~~;

### **Section 119.9**

propose new legislations and administrative structures for proper implementation of measures; **as may be necessary**;

### **Section 120**

**(Amended in dzongkha)**

### **New Section**

**Technical Committee shall function in accordance with rules and regulations prescribed by the National Coordination Committee.**

## **CHAPTER VII**

**(Amended in dzongkha)**

### **Section 121**

Where a person is suspected of having committed a predicate offence, (referred to hereafter in this Chapter as “the relevant person” in relation to that offence), **the** enforcement authority or an authorized officer may apply to the court of competent jurisdiction for a freeze order against

## **Annexure XIII**

property that is reasonably suspected to be proceeds or instrumentalities of the offence.

### **Section 122**

**(Amended in dzongkha)**

#### **Section 122.1**

order **that** the property, or such part of the property as specified in the order, is not to be disposed of, or otherwise dealt with by any other person, except in such manner and in such circumstances as are specified in the order;

#### **Section 122.2**

order **that** the property, or such part of the property as is specified in the order, shall be seized, taken into possession, delivered up for safekeeping or otherwise secured by relevant agency; and

#### **Section 122.3**

**(Amended in dzongkha)**

### **Section 124**

A freeze order in respect of property may be ~~made~~**issued** without notice to any person and whether or not there is risk of the property being disposed of, or otherwise dealt with, in such manner as would defeat the operation of this Act.

### **Section 125**

If a freeze order is ~~made~~**issued** without notice, the court shall provide an opportunity to the relevant person to place additional evidence before it.

## **Annexure XIII**

### **Section 126**

a freeze order is ~~made~~**issued** against property under Section 122 of this Act, the court may direct that any disposition or dealing be set aside with effect from the date upon which the disposition or dealing took place if:

#### **Section 126.1**

the property is disposed **off** or otherwise dealt with in contravention **to** the freeze order; and

#### **Section 126.2**

**(Amended in dzongkha)**

### **Section 127**

A person other than the relevant person, who has an interest in property ~~against~~**over** which a freeze order is ~~made~~**issued**, pursuant to Section 122 of this Act or a direction made pursuant to Section 126 of this Act, may apply to the court of competent jurisdiction, for an order to exclude property in which he or she has an interest from the operation of the order. **(Amended in dzongkha)**

### **Section 128**

The court may ~~make~~**issue** an order pursuant to Section 127 of this Act, if it is satisfied that:

#### **Section 128.1**

**applicant does** has an interest in the property which is the subject of the application;

#### **Section 128.2**

**Applicant** was not, in any way, involved in the commission of the offence.

## **Annexure XIII**

### **Section 128.3**

**The** interest is not proceeds or an instrumentality; or

### **Section 128.4**

**The** interest is not subject to the effective control of the relevant person.

### **New section after section 128**

**An adequate compensation shall be paid to the owner, If the property against which a freeze order is made is found to have no connection with the offence.**

### **Section 129**

Where a relevant person is convicted of a predicate offence, the authorized officer **or** enforcement authority may apply to the court of competent jurisdiction for a confiscation order against property that is proceeds or an instrumentality of that offence.

### **Section 130**

Notwithstanding any other law to the contrary, where a court of competent jurisdiction, on an ex parte application by the enforcement authority or an authorized officer, is satisfied that having regard to the evidence before the Court the suspect has committed an offence under the Act, and on the preponderance of evidence, that the person has absconded from Bhutan in order to evade prosecution under this Act, it may ~~make~~ **issue** an order for confiscation of **the** property due or belonging to or held on behalf of the suspect.

### **Section 131**

Where such property has been intermingled with property acquired from legitimate sources, such property shall be liable ~~to~~**for** confiscation up to the assessed value of the intermingled proceeds.

## Annexure XIII

### Section 132

A Court may, instead of ordering a property or part **thereof** or interest therein to be confiscated, ~~orders~~**order** the person to pay an amount equal to the value of the property, part or **interest therein**, where it is satisfied that the order for confiscation under this Act, cannot be enforced and, in particular that the property:

### ~~Section 132(2)~~

(deleted)

### Section 132.4

Has ~~been~~ substantially diminished in value and rendered worthless; or

### Section 132.5

(Amended in dzongkha)

### Section 133

#### Disposal of confiscated property

The confiscated properties may be disposed **off** in accordance with the judgment of Courts. (Amended in dzongkha)

### Section 134

(Amended in dzongkha)

### Section 134.2(a)

Determine any dispute as to ~~the~~**ownership** of or interest in the property or any part thereof;

### Section 134.2(e)

Pay costs and other expenses to defend any criminal proceedings referred to in the request. ~~and~~



## **Annexure XIII**

### **Section 134.3**

Forfeiting ~~Forfeiter of~~ the property of or in the possession or under the control of ~~any~~**the person** named in the request

### **Section 135.2**

**(Amended in dzongkha)**

### **Section 136**

The High Court may, instead of ordering a property or part,~~thereof or interest therein~~, to be confiscated, orders the person to pay an amount equal to the value of the property, part **thereof or interest therein**; where it is satisfied that the order for confiscation under this section, cannot be enforced and, in particular that the property:

### **Section 136.2**

**(deleted)**

### **Section 136.4**

Has ~~been~~ substantially diminished in value and rendered worthless; or

### **Section 136.5**

**(Amended in dzongkha)**

### **Section 137**

**(Amended in dzongkha)**

### **Section 138**

Upon hearing an application made pursuant to Section 129 of this Act, where the court is satisfied on the balance of probabilities that the property is proceeds of the predicate offence or predicate offences **for**

## **Annexure XIII**

which the relevant person has been convicted, the court shall order that it be confiscated.

### **Section 139**

Upon hearing an application made pursuant to Section 129 of this Act, where the court is satisfied on the balance of probabilities that **the** property is an instrumentality of the predicate offence or predicate offences for which the relevant person has been convicted, the court may order that it be confiscated.

### **Section 140**

**(Amended in dzongkha)**

#### **Section 140.1**

**(Amended in dzongkha)**

#### **Section 140.3**

**(Amended in dzongkha)**

### **Section 141**

**(Amended in dzongkha)**

### **Section 143**

Where a court makes a confiscation order under **Sections** 138 and 139 of this Act it may give such directions as **maybe** necessary or convenient for giving effect to the order.

### **Section 144**

The enforcement authority or authorized officer may apply **to the court** for a deemed conviction order court and the court may ~~make~~**issue** the deemed conviction order if:

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### **Section 144.2**

**(Amended in dzongkha)**

### **Section 145**

**(Amended in dzongkha)**

#### **Section 145.1**

the relevant person shall have no right of appearance **representation in appearing** before the court ~~unless~~ **and he or she is shall be physically present; and**

#### **Section 145.2**

~~the court~~ **it** shall not be ~~satisfied~~ sufficient that the relevant person is amenable to justice merely because it is open to the authorized officer or enforcement authority or other authorities to apply for the extradition of the relevant person from a foreign State.

### **Section 146**

Where a court ~~makes~~ **issues** a deemed conviction order under Section **144** of this Act, the relevant person shall be treated as a convicted person for the purposes of this Act.

### **Section 147**

**(Amended in dzongkha)**

### **Section 148**

**(Amended in dzongkha)**

### **Section 149**

**(Amended in dzongkha)**

## **Annexure XIII**

### **Section 150**

In considering whether to make a confiscation order under Section 149 of this Act the court ~~may~~ **shall** have regard to:

#### **Section 150.1**

**(Amended in dzongkha)**

#### **Section 150.3**

**(Amended in dzongkha)**

### **Section 151**

If **the** property which is subject to confiscation cannot be confiscated, the court may **issue** a substitute property confiscation order over the property, or parts of property, in which the defendant has an interest if the property:

### **Section 152**

An order may be ~~made~~ **issued** under Section 151 of this Act whether or not the property subject to the substituted property confiscation order is of the same value as the property that would have been subject to confiscation pursuant to Section 138 or 139 of this Act that cannot be located or is not available for confiscation.

#### **Section 154.2**

**(Amended in dzongkha)**

#### **Section 154.3**

**(Amended in dzongkha)**

### **Section 157**

**(Amended in dzongkha)**

## **Annexure XIII**

### **Section 159**

A person who commits an offence that are not related to offences under the Anti-Corruption Act of Bhutan under Section 154 of this Act, ~~in case of~~

#### **Section 159.1**

**In the case of** a natural person, ~~he/she~~ shall be liable for value based sentencing as per Penal Code of Bhutan, subject to a maximum **for** felony of ~~second~~**third** degree if the value or the amounts involved in the crime exceed the total amount of minimum wage at the time of the crime for a period of ~~35~~**30** years or more; and

#### **Section 159.2**

**In the case of** a legal person, **he or she** shall be liable on conviction to pay fine as prescribed in the rules and regulations.

### **Section 160.1**

**(Amended in dzongkha)**

### **Section 160.2**

**(Amended in dzongkha)**

### **Section 161.2**

the funds are not linked to a ~~the~~ terrorist act;

### **Section 163**

Any person who aids, abets, solicits, conspires or attempts the commission of any offence under this Chapter commits an offence and **is** liable on conviction as per Penal Code of Bhutan ~~2004~~.

## **Annexure XIII**

### **Section 164**

A Reporting Entity, board of directors or employee of a Reporting Entity commits an offence, if the Reporting Entity, board of director or employee of a Reporting Entity intentionally:

### **Section 165**

The Reporting Entity, board of directors or employees of a Reporting Entity that commit an offence under Section 164 of this Act shall be liable for administrative penalty as prescribed under the rules and regulations.

### **Section 167.2**

an administrative fine of up to **an amount** prescribed under the rules & regulations;

### **Section 167.4**

**(Amended in dzongkha)**

### **Section 168.2**

**(Amended in dzongkha)**

### **Section 169**

**(Amended in dzongkha)**

### **Section 172**

A Reporting Entity commits an offence, if ~~the Reporting Entity~~ **it fails** to perform the functions under Sections 52 and 53 of this Act.

### **Section 173**

**(Amended in dzongkha)**

### **Section 178**

**(Amended in dzongkha)**

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**Section 180**

**(Amended in dzongkha)**

“**AML**” means anti-money laundering.

“**Authorized officer**” means:

- (1) ~~Senior~~ Police officer; or
- (2) ~~Senior~~ Anti-Corruption Commission Officer

“**CFT**” means countering of financing of terrorism

“**Department**” means the Department of Law and Order.

“**Domestic Politically Expose Person(PEPs)**” are individuals who are or have been entrusted domestically with prominent public functions for example: Heads of State or of Government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, and important political party officials and includes any spouse, child, parent, sibling, cousin, or close associate of any of those so defined.

(c) family, domestic and business relationships between person **having** an interest in the property, or in companies of the kind referred to in paragraph (c) or trusts of the kind referred to in paragraph (d), and other persons.

“**Designated non-financial business or profession**” means:

- (1) real estate agents;
- (2) dealers in precious metals and dealers in precious stones;
- (3) dealers in precious stones;
- (4) ~~Jabmis and accountants howsoever qualified when they prepare for, engage in, or carry out transactions for a client concerning any~~

### **Annexure XIII**

~~—of the following activities;~~ **the professionals and accountants of the private and independent legal officers**

#### **(5) Unit trust service providers**

**“Financial institution” means a bank, insurer, are in surer, a stock exchange or another entity licensed under Financial Services Act 2011 to the extent designated a financial institution under regulations adopted by the Royal Monetary Authority in light of the licensee’s scale of operation and the exposure of its customers to its insolvency.**

(14) engaging in **fund** transfers as a business; or...

**Foreign PEPs** are individuals who are or have been entrusted with prominent public functions by a foreign country, for example Heads of State, or of Government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, and important political party officials and includes any spouse, child, parent, sibling, cousin, or close associate of any of those so defined.

**“Law enforcement agency”** means: the Anti-Corruption Commission, the Department of Law and Order, Ministry of Home and Cultural Affairs, Bhutan Narcotics Control **Authority**, Department of Revenue and Customs, Office of the Attorney-General, Royal Bhutan Police and any other agency or authority prescribed in the rules and regulations.

**Domestic committee means a committee who recognizes the terrorist and terrorism organizations.**



**Annexure XIV****Annexure XIV: Voting list on the Adoption of Anti-Money Laundering and countering Financing of Terrorism Bill 2017****Date: 08/06/2017****Voting: Passed Yes: 44****Abstain: 0 No: 0****Total present: 44**

|    |                        |          |     |
|----|------------------------|----------|-----|
| 1  | Dechen Zangmo          | Delegate | Yes |
| 2  | Tshering Tobgay        | Delegate | Yes |
| 3  | Madan Kumar Chhetri    | Delegate | Yes |
| 4  | Yeshey Dorji           | Delegate | Yes |
| 5  | Zanglay Drukpa         | Delegate | Yes |
| 6  | Khandu Wangchuk        | Delegate | Yes |
| 7  | Dina Nath Dungyel      | Delegate | Yes |
| 8  | Wangdi Norbu           | Delegate | Yes |
| 9  | Jigme Wangchuk (Radhi) | Delegate | Yes |
| 10 | Pema Gyamtsho          | Delegate | Yes |
| 11 | Norbu Wangchuk         | Delegate | Yes |
| 12 | Dorji Wangdi           | Delegate | Yes |
| 13 | Nyeema Sangay Tshempo  | Delegate | Yes |
| 14 | Karma Tenzin           | Delegate | Yes |
| 15 | Ritu Raj Chhetri       | Delegate | Yes |
| 16 | Ngedup Zangpo          | Delegate | Yes |
| 17 | Dophu Dukpa            | Delegate | Yes |
| 18 | Pema Drukpa            | Delegate | Yes |
| 19 | Mingbo Dukpa           | Delegate | Yes |
| 20 | Kuenga                 | Delegate | Yes |
| 21 | Sonam Dondup Dorji     | Delegate | Yes |
| 22 | Chimi Dorji            | Delegate | Yes |
| 23 | Gopal Gurung           | Delegate | Yes |

**Annexure XIV**

|    |                              |          |     |
|----|------------------------------|----------|-----|
| 24 | Dawa Gyeltshen               | Delegate | Yes |
| 25 | Tek Bdr Subba                | Delegate | Yes |
| 26 | Tandin Wangchuk              | Delegate | Yes |
| 27 | Tshering                     | Delegate | Yes |
| 28 | Karma Dorji                  | Delegate | Yes |
| 29 | Pelzang Wangchuk             | Delegate | Yes |
| 30 | Rinzin Dorji (Phuentsholing) | Delegate | Yes |
| 31 | Dupthob                      | Delegate | Yes |
| 32 | Lekey Dorji                  | Delegate | Yes |
| 33 | Choida Jamtsho               | Delegate | Yes |
| 34 | Yogesh Tamang                | Delegate | Yes |
| 35 | Kelzang Wangmo               | Delegate | Yes |
| 36 | Dorji Choden                 | Delegate | Yes |
| 37 | Rinzin Jamtsho               | Delegate | Yes |
| 38 | Tshewang Jurmi               | Delegate | Yes |
| 39 | Ugyen Wangdi                 | Delegate | Yes |
| 40 | Karma Rangdol                | Delegate | Yes |
| 41 | Damcho Dorji                 | Delegate | Yes |
| 42 | Rinzin Dorji                 | Delegate | Yes |
| 43 | Kinley Om                    | Delegate | Yes |
| 44 | Novin Darlami                | Delegate | Yes |

**Annexure XV****Annexure XV: Voting list on the Motion by the Core Unit Committee to Ensure Meaningful Engagement on Sustainable Development Goals (SDGs)****Date: 08/06/2017****Time: 01:47:12 p.m.****Voting: Passed Yes: 37 Abstain: 1 No: 2 Total present: 40**

|    |                        |          |     |
|----|------------------------|----------|-----|
| 1  | Dechen Zangmo          | Delegate | Yes |
| 2  | Madan Kumar Chhetri    | Delegate | Yes |
| 3  | Zanglay Drukpa         | Delegate | Yes |
| 4  | Khandu Wangchuk        | Delegate | Yes |
| 5  | Dina Nath Dungyel      | Delegate | Yes |
| 6  | Wangdi Norbu           | Delegate | Yes |
| 7  | Jigme Wangchuk (Radhi) | Delegate | Yes |
| 8  | Norbu Wangchuk         | Delegate | No  |
| 9  | Dorji Wangdi           | Delegate | Yes |
| 10 | Nyeema Sangay Tshempo  | Delegate | Yes |
| 11 | Karma Tenzin           | Delegate | No  |
| 12 | Ritu Raj Chhetri       | Delegate | Yes |
| 13 | Ngedup Zangpo          | Delegate | Yes |
| 14 | Dophu Dukpa            | Delegate | Yes |
| 15 | Pema Drukpa            | Delegate | Yes |
| 16 | Mingbo Dukpa           | Delegate | Yes |
| 17 | Kuenga                 | Delegate | Yes |
| 18 | Sonam Dondup Dorji     | Delegate | Yes |
| 19 | Chimi Dorji            | Delegate | Yes |
| 20 | Gopal Gurung           | Delegate | Yes |
| 21 | Dawa Gyeltshen         | Delegate | Yes |
| 22 | Tek Bdr Subba          | Delegate | Yes |
| 23 | Tandin Wangchuk        | Delegate | Yes |
| 24 | Tshering               | Delegate | Yes |

**Annexure XV**

|    |                       |          |         |
|----|-----------------------|----------|---------|
| 25 | Karma Dorji           | Delegate | Yes     |
| 26 | Pelzang Wangchuk      | Delegate | Yes     |
| 27 | Rinzin Dorji (P/ling) | Delegate | Yes     |
| 28 | Lekey Dorji           | Delegate | Abstain |
| 29 | Choida Jamtsho        | Delegate | Yes     |
| 30 | Yogesh Tamang         | Delegate | Yes     |
| 31 | Kelzang Wangmo        | Delegate | Yes     |
| 32 | Dorji Choden          | Delegate | Yes     |
| 33 | Rinzin Jamtsho        | Delegate | Yes     |
| 34 | Ugyen Wangdi          | Delegate | Yes     |
| 35 | Karma Rangdol         | Delegate | Yes     |
| 36 | Damcho Dorji          | Delegate | Yes     |
| 37 | Rinzin Dorji          | Delegate | Yes     |
| 38 | Namgay Dorji          | Delegate | Yes     |
| 39 | Kinley Om             | Delegate | Yes     |
| 40 | Novin Darlami         | Delegate | Yes     |

**Annexure XVI**

**Annexure XVI: Royal Kasho on Joint Sitting**

The Royal Assent is hereby granted to present Performance Audit Report and Implementation Status of the Seventh Session by the Joint Public Accounts Committee. As per the Section 10, Article 10 of the Constitution of the Kingdom of Bhutan, Royal Assent is also granted to Present the Annual Report by the Prime Minister of Bhutan on the State of the Nation, including Legislative Plans and Annual Plans and Priorities of the Government to the Druk Gyalpo and to the Joint Sitting of the Parliament in June 2017. On 28th Day of the 3rd Month of the Fire Female Bird Year.

**Druk Gyalpo**

**Annexure XVII****Annexure XVII : Voting Results on Nine Recommendations of the Public Accounts Committee Report****Date: 14/06/2017****Time: 2:20:02 p.m.****Voting: Passed Yes: 52 Abstain: 9 No: 3 Total present: 64**

|    |                        |          |         |
|----|------------------------|----------|---------|
| 1  | Sonam Kinga            | Delegate | Yes     |
| 2  | Dechen Zangmo          | Delegate | Yes     |
| 3  | Madan Kumar Chhetri    | Delegate | Yes     |
| 4  | Yeshey Dorji           | Delegate | No      |
| 5  | Zanglay Drukpa         | Delegate | Abstain |
| 6  | Nima                   | Delegate | Yes     |
| 7  | Khandu Wangchuk        | Delegate | Yes     |
| 8  | Dina Nath Dungyel      | Delegate | Yes     |
| 9  | Yeshey Zimba           | Delegate | Yes     |
| 10 | Wangdi Norbu           | Delegate | Abstain |
| 11 | Jigme Wangchuk (Radhi) | Delegate | Yes     |
| 12 | Pema Gyamtsho          | Delegate | No      |
| 13 | Dorji Wangdi           | Delegate | No      |
| 14 | Rinzin Dorji (Punakha) | Delegate | Yes     |
| 15 | Kesang C Dorji         | Delegate | Yes     |
| 16 | Nyeema Sangay Tshempo  | Delegate | Yes     |
| 17 | Karma Tenzin           | Delegate | Yes     |
| 18 | Ritu Rai Chhetri       | Delegate | Yes     |
| 19 | Jigme Wangchuk         | Delegate | Yes     |
| 20 | Nidup Zangpo           | Delegate | Yes     |
| 21 | Jigme Rinzin           | Delegate | Abstain |
| 22 | Pema Tenzin            | Delegate | Yes     |
| 23 | Dophu Dukpa            | Delegate | Yes     |
| 24 | Pema Drukpa            | Delegate | Yes     |

**Annexure XVII**

|    |                       |          |         |
|----|-----------------------|----------|---------|
| 25 | Dhan Bdr Monger       | Delegate | Yes     |
| 26 | Karma Tshering        | Delegate | Yes     |
| 27 | Mingbo Dukpa          | Delegate | Yes     |
| 28 | Kuenga                | Delegate | Yes     |
| 29 | Tashi Dorji           | Delegate | Yes     |
| 30 | Phuntsho Rabten       | Delegate | Yes     |
| 31 | Sonam Dondup Dorji    | Delegate | Yes     |
| 32 | Chimi Dorji           | Delegate | Yes     |
| 33 | Gopal Gurung          | Delegate | Yes     |
| 34 | Dawa Gyeltshen        | Delegate | Yes     |
| 35 | Tek Bdr Subba         | Delegate | Yes     |
| 36 | Tshering              | Delegate | Yes     |
| 37 | Karma Dorji           | Delegate | Yes     |
| 38 | Pelzang Wangchuk      | Delegate | Yes     |
| 39 | Rinzin Dorji (P/ling) | Delegate | Yes     |
| 40 | Tempa Dorji           | Delegate | Abstain |
| 41 | Dupthop               | Delegate | Abstain |
| 42 | Sangay Khandu (Gasa)  | Delegate | Yes     |
| 43 | Lekey Dorji           | Delegate | Yes     |
| 44 | Choida Jamtsho        | Delegate | Yes     |
| 45 | Yogesh Tamang         | Delegate | Yes     |
| 46 | Kezang Wangmo         | Delegate | Yes     |
| 47 | Tharchen              | Delegate | Yes     |
| 48 | Rinzin Jamtsho        | Delegate | Abstain |
| 49 | Ugyen Wangdi          | Delegate | Abstain |
| 50 | Tashi Phuntsho        | Delegate | Yes     |
| 51 | Tshering Dorji (Haa)  | Delegate | Yes     |
| 52 | Karma Rangdol         | Delegate | Abstain |
| 53 | Pema Dakpa            | Delegate | Yes     |
| 54 | Damcho Dorji          | Delegate | Yes     |

**Annexure XVII**

|    |                        |          |         |
|----|------------------------|----------|---------|
| 55 | Rinzin Dorji           | Delegate | Yes     |
| 56 | Tashi Wangmo           | Delegate | Yes     |
| 57 | Namgay Dorji           | Delegate | Yes     |
| 58 | Sonam Wangchuk         | Delegate | Yes     |
| 59 | Nima Gyeltshen         | Delegate | Yes     |
| 60 | Sonam Dorji            | Delegate | Abstain |
| 61 | Kamal Bdr Gurung       | Delegate | Yes     |
| 62 | Sangay Khandu (Samtse) | Delegate | Yes     |
| 63 | Kinley Om              | Delegate | Yes     |
| 64 | Novin Darlami          | Delegate | Yes     |



## **Annexure XVIII**

### **Annexure XVIII: Address by Tshogpon Jigme Zangpo at the Closing Ceremony of the 9th Session of the Second Parliament of Bhutan (20th June 2017)**

1. On behalf of the Members of Parliament and on my own behalf, I would like to welcome and express my deepest gratitude to His Majesty the Druk Gyalpo for gracing the closing ceremony of the 9th Session of the Second Parliament. Today is indeed a very sacred occasion as His Majesty graces the closing ceremony at a time when the five most auspicious occasions relating to the life of Lord Buddha converge this month.
2. I would also like to extend my welcome to the representatives of the Central Monastic Body, senior government officials, representatives of the international community and all those who have come to witness the occasion.
3. In accordance to the provisions of the Constitution of Bhutan and the mandate of Parliament, the Customs Bill of Bhutan has been adopted in the joint sitting of Parliament. It is hoped that the law would benefit the people and the country. Moreover, it would greatly help the relevant authorities in exercising their roles.

His Majesty the Druk Gyalpo has granted Royal assent to the Paris Climate Agreement 2015 and the Indo-Bhutan Trade Agreement which were deliberated and ratified by both Houses of Parliament. Although being a small country, Bhutan has attached high importance to the Paris Agreement and had ratified it for the welfare of the country and the world at large. The Bhutanese consulate which will be established at Guwahati in Assam, India will benefit in promoting trade and regional tourism.

**Annexure XVIII**

In addition, the National Assembly had extensively deliberated on the Bhutan Information, Communication & Media Bill, Anti Money Laundering & Countering Financing of Terrorism Bill and Multilateral Framework Agreement for Establishment of Think Tank for Landlocked Developing Countries. These Bills have now been transmitted to the National Council and thus it is hoped that the Bills would be enacted in the 10th Session.

I would also like to inform that the Bangladesh, Bhutan, India and Nepal (BBIN) Motor Vehicle Agreement has been deferred since consensus could not be reached between the two Houses of Parliament.

4. As per the directives of the House, the parliamentary committees had presented quality reports in the Parliament by reviewing government reports. Similarly, recommendations were drawn following deliberations during question hours and motions. It is therefore hoped that the recommendations which have been endorsed would be supported and implemented by institutions, ministries and various other agencies.
5. The Supplementary Budget of Nu. 59,227.076 million for the fiscal year 2016-17 and the Annual Budget of Nu. 60,777.871 million for the fiscal year 2017-18 have been passed by the National Assembly. Since the next financial year is the last year of the current plan, it is important that the local government leaders carefully implement the programs and ensure fruitful achievements as per the plan.

Furthermore, after meeting all the current expenditure, Nu.8 billion is still available from the internal revenue to be spent for capital

### **Annexure XVIII**

works during the current plan. Such outcome is not only a historic achievement but also an indication of the country becoming self reliant. I would like to thus express our appreciation to the government.

6. The local government leaders have great responsibility and accountability. Similarly, the local governments are extremely important in the context of decentralization of power and strengthening of democracy. Therefore, as per the aspiration of His Majesty for a strong democracy, the government has revised the salary and entitlements of the local government leaders by 40 % increase. It is hoped that the local government leaders would continue to serve in fulfilling the aspirations of the people and successfully implement the developmental activities.
7. The Fiscal Incentives 2017 is one of the important tools in enhancing the private sector and the economy. Thus, considering the present and future benefit of the country, the National Assembly had passed the Fiscal Incentives 2017 as a money bill.

Similarly, it is hoped that the policies on debt management, economic development, regional tourism and the mineral development formulated by the government as per the resolution of the House would help in managing country's debt and enhancing the private sector.

8. Now, I would like to briefly report on the following:  
Out of great concern, His Majesty the Druk Gyalpo constantly strives for the welfare of the people and the country. His Majesty continues to visit schools in various parts of the country granting invaluable words of wisdom to the students and teachers. His Majesty had

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also strengthened the country's international relations by granting audiences to foreign dignitaries. Most recently, His Majesty had graced the 12th convocation of the graduates under the Royal University of Bhutan. At the convocation, His Majesty had said that the youth must work towards upholding peace, unity, national identity and the rich cultural heritage of the country. His Majesty had also mentioned that the future standing of the country would be determined by the skills of the youth and their disposition for hard work. The Members of Parliament would like to express our deepest gratitude to His Majesty for granting such words of wisdom to the youth and caring for them as His Majesty's own children.

9. His Holiness the Je Khenpo had initiated Moenlam Chhenmo prayers in all the Dzongkhags of the country for the world peace in general and for the peace and happiness of the nation in particular. Under the leadership of His Holiness, trust funds have also been instituted for the sustainability of Moenlam Chhenmo initiatives. Toward this, the Parliament would like to express our gratitude to His Holiness the Je Khenpo, other members of the clergy and Hindu pandits for initiating various spiritual activities for the welfare of the people and the country.
10. Her Majesty the Gyaltsuen, the patron of the Bhutan Red Cross Society inaugurated the office of the Bhutan Red Cross Society coinciding with the International Red Cross Society Day on 8th May 2017. This would not only benefit individuals, families and the country but would also greatly benefit in strengthening international peace and happiness. The Parliament would like to therefore express our gratitude to Her Majesty the Gyaltsuen for such royal initiatives.

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11. The Royal Bhutan Flower Exhibition was started in 2015 upon His Majesty's command for ensuring a clean country and promoting people's interest and admiration for flowers. Subsequently, under the guidance of Her Majesty the Queen Mother Tshering Yangdon Wangchuck the first and second Royal Bhutan Flower Exhibitions were organized at Ugyen Pelri Palace in Paro. This year, the third Royal Bhutan Flower Exhibition was organized at the National Memorial Chorten in Thimphu. The flower exhibition this year was organized coinciding with the 27th Birth Anniversary of Her Majesty the Gyaltsuen who also graced the exhibition. During the exhibition, Her Imperial Highness Princess Mako of Japan was also present as the special guest and tributes were paid to His Majesty the late Third Druk Gyalpo. The Parliament would like to thus express our gratitude to Her Majesty the Queen Mother Tshering Yangdon Wangchuck for organizing the event.

I would like to inform that enough seeds and saplings of herbs, flowers and ornamental flowers have emerged yearly through such exhibitions and more number of people are now showing interest in floriculture. Thus, we would also like to thank the Ministry of Agriculture & Forests, private entities, armed forces, Japanese floriculture experts and the representatives from India and Thailand for their coordination and participation.

12. Recognizing the importance of justice in democracy, Her Royal Highness Princess Sonam Dechan Wangchuck, the President of the Bhutan National Legal Institute had constantly strived towards strengthening the judiciary. Her Royal Highness has also ensured in upholding the legal system and facilitating access to justice for the benefit of the common people. In addition, under the patronage

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of Her Royal Highness, trainings on alternative dispute resolution for the local government leaders have been constantly conducted in Dzongkhags for the welfare of the people and the country. Similarly, the Bar Council of Bhutan has been instituted and Her Royal Highness has assumed the responsibility of the president of the Bar Council. The Parliament would like to thus express our gratitude to Her Royal Highness as the Bar Council would greatly help in promoting peace in the society and reducing the number of cases ultimately leading to prosperity for all the people.

13. Likewise, in order to enhance and build sportsmanship in the country, His Royal Highness Dasho Jigyel Ugyen Wangchuck had rightly assumed the presidency of the Bhutan Olympic Committee. Since then, the standard of sports in the country had come a long way and it had also strengthened foreign relations of the country and promoted national unity.

In addition, His Royal Highness had established multipurpose hall and sports offices in some of the Dzongkhags. Furthermore, some of the sports grounds have already been outfitted with artificial turfs at par with international standard. Toward this, the Parliament would like to express our gratitude to His Royal Highness for such noble initiatives.

14. In a bid to uphold Buddha Dharma in the country and for the spiritual benefits of the people, Yab Dasho Ugyen Dorji and Yum Thuji Zam have constructed and renovated numerous Lhakhangs and Goendeys. One of the sacred structures in the country which was recently constructed and consecrated is the Khamsum Namgyel Chorten at Zomlingthang in Punakha. Therefore, the Parliament would like to

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express its appreciation to Yab Dasho Ugyen Dorji and Yum Thuji Zam.

15. Presenting the report on the state of the Nation, the Prime Minister informed that under the noble guidance and leadership of His Majesty the Druk Gyalpo, the security, peace, unity and happiness of the people have been further strengthened. It was reported that in the last four years, important amenities such as construction of national highways, Dzongkhag roads, farm roads, blacktopping of roads, electricity and telecommunication coverage, and rural farm shops were instituted and enhanced. The Prime Minister further informed that the government would be providing a bull dozer and a backhoe loader each for every Dzongkhag. It was also informed that for the benefit of the rural people, Liquid Petroleum Gas cylinders have been distributed to rural population and fuel stations are going to be established in most of the Gewogs.

Furthermore, banking services have been introduced in most of the Gewogs to promote saving culture among the people. Steps are also being taken to encourage saving culture among youth from classes eleven and above. In addition, online payment services have been introduced to enhance the banking services.

Similarly, the rural life insurance payout has been revised from Nu.15,000 to Nu.30,000 for the benefit of the rural people. Works pertaining to improvement of domestic airports and road connectivity had also yielded commendable outcomes. It was further informed that the government had decided to institute a water commission to ensure sustainable use of drinking and irrigation water and most

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importantly for efficient management of water. Therefore, the Parliament would like to express its appreciation to the government.

16. The three branches of the armed forces had embraced the sacred responsibility of rendering security services to His Majesty the Druk Gyalpo and the Royal Family. In addition, the armed forces have constantly served to ensure the security of the nation in general and supported relieve efforts in times of unforeseen disasters in particular. The Dessups and other volunteers have also rendered their support in times of disasters and huge public events. To this, the Parliament would like to express its appreciation.

17. The Parliament of Bhutan would also like to express its appreciation to friendly countries and international donor agencies for extending financial support and assistance towards Bhutan. Furthermore, the Parliament would like to express our special gratitude to the government and people of India for their continued support and friendship.

18. The civil servants have immensely contributed in the formulation of the 11th Five Year Plan and implemented it well with commendable outcomes. In a similar manner, the media houses in the country have ensured the dissemination of parliamentary information to the people during parliamentary sessions. The Parliament would like to therefore our appreciation to the civil servants and the media fraternity.

19. As inspired by His Majesty's vision, Bhutan Economic Forum for Innovative Transformation (BEFIT) was organized by the Royal Monetary Authority which saw participation of financial experts from the World Bank, Asian Development Bank and other countries.



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The consultations held on enhancing the economy of the country during the meeting would help in formulating monetary policies including the national debt policy. The Parliament would like to therefore express its appreciation to the Royal Monetary Authority for organizing such meeting.

20. The Druk Holding & Investments and its subsidiary companies had contributed towards 30% of the GDP from its revenue generation. The Parliament would like to therefore express its appreciation to Druk Holding & Investments as the revenue generation would greatly help in the socio-economic development, creation of jobs, promoting exports and reducing imports for the country.
21. Recently, the National Housing and Population Census was conducted mainly to determine the number of people and households. This national undertaking would help in preparing socio-economic development plans and policies for the 12th Five Year Plan. Toward this, the Parliament would like to express its appreciation to the organizers and around 8,000 civil servants who took part in supporting this national initiative.
22. Upon the invitation of His Majesty, Her Imperial Highness Princess Mako, daughter of His Imperial Highness Prince Akishino of Japan paid a week long official visit to Bhutan. The visit has come at a time when Bhutan and Japan had marked 30 years of diplomatic relations. The Japan Week in Bhutan was introduced since the year 2006 which had promoted cultural and sports exchange between the two countries. The Japan Week has also provided a special platform for the people of two countries to participate in exchange programs thus indicating the deepening of relations between Bhutan and Japan.

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Moreover, since 1960, the relations between the Royal Families, bilateral relations and people to people relations between Bhutan and Japan had been greatly strengthened. Japan had always rendered overwhelming support and assistance to Bhutan. With the visit of Her Imperial Highness Princess Mako, the relations between the two countries will be further strengthened in the future. The Parliament would like to therefore express our gratitude to Her Imperial Highness Princess Mako, the government and the people of Japan.

23. The 9th Session of the Second Parliament concludes successfully mainly because of the blessings of the Triple Gem and the noble guidance of His Majesty the Druk Gyalpo. The Members of Parliament, chairperson and members of parliamentary committees and the secretariat staffs led by the Secretary General had also rendered their support towards the successful conclusion of the session. I would like to therefore express my deepest gratitude to His Majesty the Druk Gyalpo. I would also like to express my appreciation to the Members of Parliament, chairperson and members of parliamentary committees, the secretariat staffs led by the Secretary General, staffs of the Department of National Properties and security personnel of the Royal Bhutan Police.
24. In conclusion, we, the Members of Parliament would like to offer our prayers for the wellbeing and long life of His Majesty the Druk Gyalpo, His Majesty the Fourth Druk Gyalpo, His Royal Highness the Gyalsey and other Members of the Royal Family. We would also like to offer our prayers for the wellbeing and long life of His Holiness the Je Khenpo and other members of the clergy. It is also our prayers that all people of Bhutan be blessed with continued peace and happiness.

**Annexure XIX**

**Annexure XIX: List of Members present during the Ninth Session of the Second Parliament**

1. Hon'ble Speaker Jigme Zangpo, Mongar constituency, Mongar Dzongkhag
2. Hon'ble Prime Minister, Tshering Tobgay, Sombaykha constituency, Haa Dzongkhag
3. Hon'ble Minister for Foreign Affairs Lyonpo Damcho Dorji, Goenkhatoe-Laya constituency, Gasa Dzongkhag
4. Hon'ble Minister for Works and Human Settlement, Lyonpo Dorji Choden, Thrimshing constituency, Trashigang Dzongkhag
5. Hon'ble Minister for Labour and Human Resources, Lyonpo Ngeema Sangay Tshempo, Lhamoizingkha-Tashiding constituency, Dagana Dzongkhag
6. Hon'ble Minister for Health, Lyonpo Tandin Wangchuk, Athang-Thedtsho constituency, Wangdiphodrang Dzongkhag
7. Hon'ble Minister for Information and Communication, Lyonpo Dina Nath Dungyel, Phuentshorgpelri-Samtse constituency, Samtse Dzongkhag
8. Hon'ble Minister for Finance, Lyonpo Namgay Dorji, Draagteng-Langthil constituency, Trongsa Dzongkhag
9. Hon'ble Minister for Education, Lyonpo Norbu Wangchuk, Kanglung-Samkhar-Udzorong constituency, Trashigang Dzongkhag
10. Hon'ble Minister for Agriculture and Forests, Lyonpo Yeshey Dorji, Maenbi- Tsaenkhar constituency, Lhuntse Dzongkhag
11. Hon'ble Minister for Home & Cultural Affairs, Lyonpo Dawa Gyaltsen, Bongo-Chapcha constituency, Chukha Dzongkhag
12. Hon'ble Minister for Economic Affairs Lyonpo Lekey Dorji, Bardo-Trong constituency, Zhemgang Dzongkhag
13. Hon'ble Leader of the Opposition Dr. Pema Gyamtsho, Chhoekhor-Tang constituency, Bumthang Dzongkhag
14. Hon'ble Deputy Speaker Chimi Dorji, Lingmu-Toedwang Constituency, Punakha Dzongkhag
15. Hon'ble Member Tshewang Jurmi, constituency, Bumthang Dzongkhag

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16. Hon'ble Member Rinzin Dorji, Phuentshogling constituency, Chhukha Dzongkhag
17. Hon'ble Member Karma Dorji, Drukjeygang-Tseza constituency, Dagana Dzongkhag
18. Hon'ble Member Pema Drukpa, Khamaed-Lunana constituency, Gasa Dzongkhag
19. Hon'ble Kinley Om, Bji-Kar-Tshog-Uesu constituency, Haa Dzongkhag
20. Hon'ble Member Karma Rangdol, Gangzur-Minje constituency, Lhuentse Dzongkhag
21. Hon'ble Member Ugyen Wangdi, Dramedtse-Ngatshang constituency, Mongar Dzongkhag
22. Hon'ble Member Rinzin Jamtsho, Kengkhar-Weringla constituency, Mongar Dzongkhag
23. Hon'ble Member Kezang Wangmo, Dokar-Sharpa constituency, Paro Dzongkhag
24. Hon'ble Member Khandu Wangchuk, Lamgong-Wangchangng constituency, Paro Dzongkhag
25. Hon'ble Member Zangley Dukpa, Khar-Yurung constituency, Pemagatshel Dzongkhag
26. Hon'ble Member Choida Jamtsho, Nganglam constituency, Pemagatshel Dzongkhag
27. Hon'ble Member Dechen Zangmo, Nanong-Shumar constituency, Pemagatshel Dzongkhag
28. Hon'ble Member Dophu Dukpa, Kabisa-Talog constituency, Punakha Dzongkhag
29. Hon'ble Member Pelzang Wangchuk, Jomotshangkha-Martshala constituency, Samdrup Jongkhar Dzongkhag
30. Hon'ble Member Mingbo Dukpa Dewathang Gomdar constituency, Samdrup Jongkhar Dzongkhag
31. Hon'ble Member Tek Bahadur Subba, Dophuchen-Tading constituency, Samtse Dzongkhag

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32. Hon'ble Member Ritu Raj Chhetri, Tashichhoeling constituency, Samtse Dzongkhag
33. Hon'ble Member Madan Kumar Chhetri, Ugyentse-Yoeseltse constituency, Samtse Dzongkhag
34. Hon'ble Member Rinzin Dorji, Shompangkha constituency, Sarpang Dzongkhag
35. Hon'ble Member Gopal Gurung, Gelegphu constituency, Sarpang Dzongkhag
36. Hon'ble Member Tshering, North Thimphu constituency, Thimphu Dzongkhag
37. Hon'ble Member Yeshey Zimba, South Thimphu constituency, Thimphu Dzongkhag
38. Hon'ble Member Wangdi Norbu, Bartsham-Shongphu constituency, Trashigang Dzongkhag
39. Hon'ble Member Jigme Wangchuk, Radhi- Sagteng, Trashigang Dzongkhag
40. Hon'ble Member Karma Tenzin, Wamrong constituency, Trashigang Dzongkhag
41. Hon'ble Member Dupthob, Boomdeling-Jamkhar constituency, Trashiyangtse Dzongkhag
42. Hon'ble Member Sonam Dondup Dorjee, Khamdang-Ramjar constituency, Trashiyangtse Dzongkhag
43. Hon'ble Member Nidup Zangpo, Nubi-Tangsibji constituency, Trongsa Dzongkhag
44. Hon'ble Member Yogesh Tamang, Kilkhorthang-Mendrelgang constituency, Tsirang Dzongkhag
45. Hon'ble Member Novin Darlami, Sergithang-Tsirang Toed constituency, Tsirang Dzongkhag
46. Hon'ble Member Kuenga, Nyishog- Saephu constituency, Trongsa Dzongkhag
47. Hon'ble Member Dorji Wangdi, Panbang constituency, Zhemgang Dzongkhag