

Proceedings and Resolutions (Translation) of the 13th Session of the National Council of Bhutan

*(Friday, 16th May 2014 corresponding to the 17th Day of the 3rd
Month of Wood Male Horse Year of the Bhutanese Calendar)*

A. Proceeding for the Opening Ceremony

The opening ceremony of the 13th Session of the National Council of Bhutan was held on 16th May 2014 corresponding to the 17th Day of the 3rd Month of Wood Male Horse Year of the Bhutanese calendar with traditional *Marchhang Tendrel* ceremony. It was presided over by the Hon'ble Chairperson.

B. Hon'ble Chairperson's Opening Address

Having completed one year since the establishment of the National Council of Bhutan, the Chairperson said that the members should reflect on their accomplishments and mistakes over that period. In keeping with the gracious advice of His Majesty the King in the Throne Room during *Due Chen Nga Zom* last year, he reminded them to examine what efforts they have put in to make the National Council a House that the public could trust for all times, and fulfill the visions of His Majesty the King and the aspirations of the people.

On the legislative front, the Chairperson said that the National Council in the past one year had deliberated on amendment of the National Council Act to establish it as a permanent House and prescribed qualification of candidates after due consultations with relevant government agencies in order for the National Council to serve the democratic system as an effective institution. As a House of Review, it had put in place new systems such as review on the implementation of Resolutions, re-deliberation of Budget submitted by the National

Assembly, follow-up on constituency issues and publication of voting records in the resolutions as well as on the website to foster transparency. He said that such initiatives were made possible due to the cooperation and support from the Government and the National Assembly for which he expressed his appreciation. Recognizing the importance of the institutions of Local Government, he said that issues received from *Dzongkhag Tshogdus* would also be discussed during the current session.

While serving the interest of the nation and the people, the Chairperson said that the National Council faced two major challenges; firstly, NC as one of the highest institutions and secondly, perception of the general public while one served as a Member. Although the National Council was one of the highest legislative bodies in the country, it had encountered challenges both while dealing with the relevant agencies as per the Constitution of Bhutan, the National Council Act and Rules of Procedure, and due to the lack of financial independence. The other major challenge faced was the perception of the general public that the National Council was a training ground for future candidacy to the National Assembly. However, the Chairperson clarified that the National Council was an institution that represented the constituencies without any political affiliations, biases and influences from any interest group.

Therefore, in order to fulfill the national objectives as envisioned by His Majesty the King, the Chairperson said that the best practices followed to overcome similar challenges in other democracies of the world should be emulated to solve problems in our own small landlocked country besides laying a strong foundation and strengthening democracy. In keeping with the kind

advice given by His Majesty the King during the National Day last year, it was important to draw up plans and activities, and start working on them as soon as the present session ended.

During the current session, the Chairperson said that the National Council shall be deliberating on the amendments of the Local Government Act to resolve issues related to *Thromdes*, the Office of the Attorney General Act to strengthen its autonomy, and the National Assembly Act for institutional strengthening. In addition, three international conventions shall be ratified. Similarly, the House shall deliberate on the National Budget & Appropriation Bill for the Fiscal Year 2014-15 and the Pay Revision Report. Question Times on issues of national concerns shall also be conducted as part of the review.

As commanded by His Majesty the King, however, instead of passing too many laws in the country, efforts shall be made so that the ones that were enacted directly benefitted the country and the people. Towards that end, the National Council had taken measures to gather public opinion and carried out consultations on issues related to amendment of the above Acts through the media and the website. The agenda for this session had also been prepared with His Majesty's kind advice in mind.

In concluding, the Chairperson thanked His Majesty the King and the 4th Druk Gyalpo for their kind advice and guidance, whenever needed; Chabje Je Khen Rimpoche, Chabje Thrizur, other Rimpoches and the monastic communities for their prayers and good wishes for the welfare of the nation and the people. Since next year marked the 60th Birth Anniversary of His Majesty the 4th Druk Gyalpo, the Chairperson committed the services of

the National Council to the best of its abilities in order to bring unlimited joy in the minds of the people and make the celebrations a grand success.

(Monday, 19th May 2014 corresponding to the 20th Day of the 3rd Month of Wood Male Horse Year of the Bhutanese Calendar)

C. Issues related to follow-up on the implementation of Resolutions

1. Legislative Issues

While the National Council deliberated on and ratified the Double Tax Avoidance Agreement between the Royal Government of Bhutan and the Government of the Republic of India during its 12th Session, the National Council had sought a clarification from Ministry of Finance on Article 4, Section 2(d) which read as: **“is a national of both States”**, since it appeared to be in contravention to the Constitution of Bhutan and other relevant laws. However, the National Council accepted the justification of the ministry explaining that the Article was not in contravention to the Constitution or any other law.

(19th May & 9th June 2014 corresponding to the 20th Day of the 3rd Month & the 11th Day of the 4th Month of Wood Male Horse Year of the Bhutanese Calendar)

2. Issues related to Review of Policies

The Chairperson of the Social & Cultural Affairs Committee reported that the resolutions of the 12th Session of the National Council had been submitted to the Hon'ble Prime Minister and the relevant agencies vide letter dated 7/3/2014 for implementation. A follow-up letter had been sent to the Cabinet Secretary on

4/4/2014 asking him to submit the implementation reports to the National Council latest by 30/4/2014. However, only the report from Ministry of Works & Human Settlement was received by the said date. Following a reminder letter, the reports were received just before the commencement of the 13th Session.

Although the reports from some ministries had been received on time and some just before the commencement of the session, the Committee Chairperson thanked them for their cooperation. Since reports on certain issues had still not been received, he said that the reasons for failure to furnish responses should be made known. He felt that the procedures for submission of follow-up reports on implementation should be made stringent, henceforth.

The follow-up reports on the implementation of the resolutions of the 12th Session were presented by the Social & Cultural Affairs Committee as per Annexure 1. The National Council deliberated on the reports one by one in detail, and resolved as follows:

1. The National Council accepted the implementation reports submitted by the Government on Resolutions 1 (2.1) on the issue of Restoration and Renovation of Sacred Artifacts, C (2.2) on Live/Re-Broadcast of Local Governments' Proceedings, and F (4) on the issue of Escalating Cost of Constructions, and resolved that further clarifications, if needed, shall be sought through internal presentations.
2. Since implementation reports on Resolutions C (2.3) on Legality of Imposing Restriction on Mining Activities by Dzongkhag Tshogdu (DT) within their Geographical Jurisdiction and F (1) on

Performance Audit on Leasing of Government Land and Government Reserve Forest Lands had not been received from the Government, it was resolved that the answers shall be sought through written questions.

(Tuesday, 20th May 2014 corresponding to the 21st Day of the 3rd Month of Wood Male Horse Year of the Bhutanese Calendar)

D. Issues received from Dzongkhag Tshogdus

The Hon'ble Chairperson said that the National Council had started a new system of collecting legislative and review issues from Dzongkhag Tshogdus and submitting these to the House for possible deliberation which it had not done in the past sessions. With the establishment of the new system, the Secretariat had coordinated with the Chairpersons of the Dzongkhag Tshogdus and received reports from 10 Dzongkhags, among which two Dzongkhags had reported that they had no issues to submit.

The three main issues covered by the reports received from Lhuentse, Tsirang, Trongsa, Punakha, Thimphu, Bumthang, Mongar and Samdrupjongkhar Dzongkhags were related to amendment of the Local Government Act, amendment of the Election Act and other miscellaneous issues. The Chairperson read out the contents of each issue for information of the House and the general public.

Of the three issues received from Dzongkhag Tshogdus, the issues related to amendment of the Local Government Act was presented by the Hon'ble Member of Samtse Dzongkhag, amendment of the Election Act was presented by the Hon'ble Member of Trongsa Dzongkhag and the miscellaneous issues by the Hon'ble

Member of Trashiyangtse Dzongkhag as given in Annexure 2.

The National Council deliberated on each issue received from the Dzongkhag Tshogdus and agreed as follows:

- A. With regard to the issues related to amendment of the Local Government Act, the points raised by the Dzongkhag Tshogdus shall be considered while the National Council deliberated on amendment of the LG Act during the current (13th) Session.
- B. With regard to the issues related to amendment of the Election Act, the National Council shall consider the points raised by the Dzongkhag Tshogdus while deliberating on amendment of the Act after it receives from the National Assembly if the Assembly deliberates on the Bill during its 4th Session.
- C. The House discussed the miscellaneous issues in detail and agreed as follows:
 1. In accordance with some of the issues received from the Dzongkhag Tshogdus related to amendment of the Election Act, possibility and preparation for amendment of the Public Election Fund Act shall be considered; and
 2. With regard to the need for change in the procedures for renovation of Lhakhangs and Chortens received from Trongsa Dzongkhag Tshogdu, it was decided that the Lhakang and Chorten Renovation Guidelines shall be obtained from the Department of Culture, Ministry of Home & Cultural Affairs. The issue shall be deliberated, if necessary.

(Wednesday, 21st May 2014 corresponding to the 22nd Day of the 3rd Month of Wood Male Horse Year of the Bhutanese Calendar)

E. Legislative Issues

1. Introduction of the Office of the Attorney General Bill of Bhutan 2014

The Chairperson of the Legislative Committee said that the three branches of the State, constitutional bodies and other institutions in the country were established and were carrying out their responsibilities in accordance with the provisions of the Constitution, Acts and relevant laws. All laws in general and most government laws in particular, were drafted by the Office of the Attorney General. The Office of the Attorney General had become the origin and basis of all laws. Therefore, he said that the Office of the Attorney General Act 2006 needed amendment to strengthen the office and ensure smooth functioning while carrying out its mandates.

According to Article 29 of the Constitution of Bhutan, he said that the Office of the Attorney General was an autonomous body and should function independently. However, it had often experienced problems while dealing with other agencies. Therefore, the proposal for amendment of the Act was submitted to overcome these challenges for smooth functioning of the office and to make the Act consistent with the provisions of the Constitution and other relevant laws.

To achieve the above objectives, the National Council had directed the Office of the Attorney General on the need to amend the Act. Accordingly, the Office had taken full responsibility for the amendment. Consultation meetings had been held with all the Dzongkhags and public opinion had been gathered

through the internet. The Bill had repealed the Office of the Attorney General Act 2006 and all rules, regulations, notifications and orders under it. Therefore, the Legislative Committee moved motion for introduction of the 51 amended sections and sub-sections covering notification of vacancy of the Attorney General, appointment, functions and powers of the office for its smooth functioning and to strengthen the autonomy of the institution as per the provisions of the Constitution.

1.1 Deliberations on the Bill

The National Council deliberated on the Office of the Attorney General Bill of Bhutan 2014 on 21/5/2014 and 2/6/2014. The following amendments and changes were made which shall be submitted to the National Assembly for deliberation.

Preamble 1st paragraph

Recognizing that the Constitution of the Kingdom of Bhutan establishes **the** Office of the Attorney General as an autonomous institution to carry out the responsibilities within the domain and authority of the Government and such other legal matters as may be entrusted;

Preamble 3rd paragraph

Recognizing the importance of having **an** autonomous institution to provide professional legal advice, draft laws and represent the Government before the courts;

Section 7

The Office may ~~have~~ **establish** departments, divisions **and** sections ~~determined as deemed~~ necessary by the

Attorney General **in consultation with the Royal Civil Service Commission.**

Section 9

~~The Attorney General may recommend the appointment of Directors, as a head of the Department to the Royal Civil Service Commission, as deemed necessary.~~

Section 14

The Office shall represent **the Government** in a civil litigation and law suits filed against the Government before the courts or tribunals, ~~as may be referred to it by the Government.~~

Section 21

During the prosecution or civil litigation, the Office may require **the** presence of an official or employee of the Government or relevant agency at any stage of proceedings before the courts.

Section 22

The Office may, by issuing a power of attorney, delegate the prosecution of a particular case to a legal personal of any agency of government or other institution by issuing a power of attorney who shall act in accordance with this Act. **Provided that this does not prejudice the powers of prosecution granted to any other agency through their respective Acts.**

Section 24 (1)

~~Such a legal personnel brings to the notice of the Office that he or she is unable to perform the job fairly and justly due to interference or undue influence of any individual in the agency or organization; or~~

Section 25

When the case proceedings are ongoing before the courts, if the Office deems it ~~appropriate~~ **necessary** to seek additional information or evidence ~~for~~ **in** the interest of the case, it may with the assistance of the investigating agency or on its own volition endeavor to obtain such information **or evidence**.

Section 26

Any agency of the Government may refer a case for litigation or prosecution ~~to the Office~~ and shall provide **the Office** with a complete report of the case and evidence.

Section 30

If the case referred is of civil nature, the Office shall determine the law under which a relief can be sought before the ~~court~~ **Court**.

Section 33

~~Every case referred to the Office shall be reviewed expeditiously and the decision shall be based on the test for prosecution.~~

Section 39

The Office shall consider only that evidence which is available and admissible before the ~~court~~ **Court** of law.

Section 43 (12)

There are grounds for believing that the offence is likely to continue or **be repeated** ~~repeat~~.

Section 44 (6)

Where the offense is described as a minor and the defendant has put right the loss or harm.

Section 45 (2)

There is overriding public interest against the prosecution ~~and~~ **or** litigation.

Section 49

~~The Office may, with or without consultation with the investigating agency, for exchange of evidence or information, enter into plea bargain agreement with the suspect any time before he or she is criminally charged or before the closing argument is submitted to the court.~~

The Office may consider plea bargain which shall be in conformity with the Civil and Criminal Procedure Code of Bhutan.

Section 50

~~The plea bargaining agreement shall be honoured by the Office only if the information so provided by the suspect or accused leads to apprehension of other perpetrators of crime on the related case.~~

Section 51

~~If the information provided by the suspect or accused leads to apprehension of other perpetrators of crime, the prosecutor may charge the suspect for the offence lesser than he or she would have been charged or request the court for lenient sentence if the prosecution is already initiated.~~

Section 52

~~Any plea bargain provided by the provisions of this Act shall be subject to provisions of the Civil and Criminal Procedure Code.~~

Section 53 (2)

~~The referring agency or investigator finds new evidence,~~
New evidence proving innocence of the accused **is produced.**

Section 55

The Office may withdraw ~~the~~ **a** civil litigations in accordance with the provisions of the Civil and Criminal Procedure Code.

Section 56

~~On review of the facts, if there is evidence to prove the offence beyond reasonable doubt, the~~ **The** Office shall not defend any public servant **who has been charged of a criminal offence, including corruption charges,** before any court **Court** of law. **The role of the Office shall be limited to defending public servants whose bonafide official decisions have been challenged in a Court of law.**

Section 59

The Office shall provide legal opinion only upon the written directives of the Cabinet ~~Lhengye Zhungtshog.~~

Section 60

The Office shall draft ~~bill~~ **Bills** or delegated legislation referred to it by the Government.

Section 61

The Government shall furnish clear and detailed policy guidelines including all the relevant documents to the Office to draft ~~bills~~ **Bills**.

Section 62

The Government shall provide adequate fund required to draft ~~bills~~ **Bills**.

Section 64

The Ministry or relevant agency shall, designate in writing, an official to facilitate the Office to draft a ~~bill~~ **Bill**.

Section 65

~~If the Government so desires, the~~ **The** Office shall ~~may~~ discuss and consult ~~the bills~~ with the relevant stakeholders **on the Bills**.

Section 66 (1)

Shall review **Bills** ~~bills~~ or delegated legislations, as may be referred to it by the Government;

Section 66 (3)

May constitute ~~committee~~ **committees** to review laws as and when required; and

New Section 67A

A person eligible for appointment as the Attorney General shall:

(1) Be a natural born citizen of Bhutan;

- (2) Be not married to a person who is not a citizen of Bhutan;**
- (3) Be from among eminent jurists;**
- (4) Possess a LL.B. Degree from an institution of repute recognized by the Government;**
- (5) Has served in the government, public or private service for a minimum of 15 years;**
- (6) Not have political affiliations;**
- (7) Not have been convicted of criminal offence under any law of the country;**
- (8) Not be in arrears of taxes or other dues to the Government; and**
- (9) Not have been terminated or compulsorily retired from the Government or public service on disciplinary grounds.**

New Section 67B

The Attorney General shall take an Oath or Affirmation of Office, as provided in the Third Schedule of the Constitution, before assuming office. The Chief Justice of Bhutan shall administer the Oath or Affirmation of Office.

Section 69

The term of the office of the Attorney General shall be ~~hold Office for a term of~~ five years **or until attaining the age of sixty-five years, whichever is earlier.**

Section 70

The Attorney General may be eligible for reappointment, **subject to a maximum of two terms.**

Section 74

The Attorney General shall **submit to** ~~furnish~~ the Druk Gyalpo and the Government such information and advice as may be required on legal matters or issues related to national interests.

Section 75

The Attorney General **shall have the power to** ~~may~~ institute, initiate or withdraw **any case** ~~a criminal, civil or constitutional case~~ in accordance with the law.

Section 76

The Attorney General may avail **the** services of ~~the~~ qualified *Jabmis*, as and when deemed necessary, to perform specific legal assignments.

Section 77

The Attorney General shall furnish opinion **only** in writing ~~only~~ and oral communication shall not be considered as part of the opinion.

Section 78

The Attorney General shall have **the** right to appear and express opinions on any legal question in Parliament.

Section 80

The Attorney General shall submit annual report on the activities of the Office to the Druk Gyalpo and to the

Prime Minister **and submit periodic reports to Parliament.**

Section 86

The Attorney General shall maintain confidentiality in cases where the decisions and documents of the Office is likely to affect **the interests** ~~interest~~ of the nation, adversely.

Section 89

The decisions and actions of the Attorney General shall be made transparent and he **or she** shall provide reasons for his or her decisions.

Section 90

The Attorney General shall display high moral values and conduct himself or herself at all times in a manner that reflects ~~good~~ **the** credibility of the Office. He or she shall abide by the spirit and letter of laws and rules, and adhere to the ethical standards prescribed in this Act.

Section 91

The Attorney General shall comply **with** and execute laws and uphold the administration of justice.

Section 94 (1)

Declare his or her income, **assets** ~~asset~~ and **liabilities** ~~liability~~ in accordance with the laws;

Section 95

Attorney General shall not abuse the powers bestowed upon him **or her.**

Section 96

The Attorney General may resign voluntarily from his or her office by submitting a resignation in writing to ~~the Druk Gyalpo and~~ to the Prime Minister one month in advance.

Section 98

The Druk Gyalpo may, on the recommendation of the Prime Minister remove or require the Attorney General to resign, as the case may be, ~~if he or she~~ **on the grounds of:**

- (1) **Physical, mental or other** ~~Suffers from~~ incapacity **of a permanent nature;**
- (2) **Incompetence to perform his or her functions;**
- (3) **Violation of the Code of Conduct;**
- (4) ~~Willfully~~ **violation of** ~~violates~~ any provision of law, that substantially and adversely affects interest of the Office; or
- (5) **Conviction** ~~Is convicted~~ for any criminal offence and sentenced to imprisonment.

New Section 98A

The removal shall be only upon finding by a Committee constituted for the purpose of determining permanent incapacity or incapability of carrying out his or her duties or breach of code of conduct, substantially prejudicing the interest of the Office. The Attorney General shall be given a proper hearing.

Section 99

~~For the purpose of section 98 (1) of this Act, the incapacity shall refer to a prolonged, physical or mental~~

~~infirmity that materially impedes Attorney General from discharging his or her official functions.~~

Section 100

~~In respect of removal on the ground of incapacity, the Prime Minister shall seek medical opinion and certification from a Medical Board of Doctors appointed by the Ministry of Health.~~

Section 101

~~In respect of the removal on the ground of willful violation of any provision of law, the Prime Minister shall seek opinion of the other members of the National Judicial Commission to determine the willful act.~~

New Section 103A

If the Attorney General dies, or resigns or otherwise vacates his or her office before the expiry of the term, the new Attorney General shall be appointed for a full five year term.

Section 107

The Policy and Planning Division of the Office shall discharge its functions in accordance with the ~~policy~~ **policies** of the Government.

New Section 108A

Such immunity shall not cover corrupt acts committed by any employee in connection with the discharge of his or her official duties.

Section 110

The Attorney General may frame and issue **Rules** ~~rule~~, **Guidelines** ~~guideline~~, **Manuals** ~~manual~~ and such other

orders for the effective functioning of the office from time to time.

Section 113 (4)

“**Delegated legislation**” means any legal instrument that is framed and issued by the Executive organ of Government including its **agencies** agency under the authority of the law enacted by Parliament or any legal instrument that is framed and issued by the Executive organ of the Government in exercise of powers consistent with the Constitution but not provided by law enacted by Parliament;

Section 113 (5) (b)

Special counsel or *Jabmis* hired by the Office to carry out **any** function of the Office; or

Section 113 (5) (c)

Any individual who works in other agency of the Government or organization, who is delegated to represent the Government before the courts **Courts**.

Voting details on the adoption of the Office of the Attorney General Bill of Bhutan 2014

Date: 2/6/2014; Time: 9.55; Total Votes: 23; “YES”: 23; “NO”:0; Abstain: 0

The following voted, “YES”:

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Karma Damcho Nidup
5. Hon Tashi Wangmo
6. Hon Tashi Wangyal
7. Hon Nima

8. Hon Sangay Khandu (Gasa)
9. Hon Sangay Khandu (Samtse)
10. Hon Kaka Tshering
11. Hon Nima Gyaltshen
12. Hon Pema Tenzin
13. Hon Sonam Wangchuk
14. Hon Jigmi Rinzin
15. Hon Rinzin Dorji
16. Hon Jigme Wangchuk
17. Hon Dhan Bdr. Monger
18. Hon Tashi Phunthso
19. Hon Kamal Bdr. Gurung
20. Hon Tashi Dorji
21. Hon Pema Dakpa
22. Hon Sonam Dorji
23. Hon Tempa Dorji

(Thursday, 22nd May 2014 corresponding to the 23rd Day of the 3rd Month of Wood Horse Year of the Bhutanese Calendar)

2. Introduction of the Local Government Act (Amendment) Bill 2014

The National Assembly had deliberated on amendment of the Local Government Act 2009 during its 2nd Session and made 17 amendments with the objective of harmonizing it with the provisions of the Constitution and bringing balanced regional development. The Good Governance Committee of the National Council upon receiving the Bill had reviewed it thoroughly through numerous consultation meetings with the stakeholders. Therefore, the Chairperson of the Committee moved motion to introduce the 12 amendments made by the Committee for deliberation in the House.

One of the main amendments made by the National Assembly on the Act was the removal of Thromde Category A and B, and retaining only Dzongkhag

Thromde and Yenlag Thromde. The National Assembly had further proposed to establish a Thromde Tshogde in each Dzongkhag, and put Yenlag Thromdes under the Gewog Administration. While the Good Governance Committee had accepted the removal of the previous categories of Thromde, it had maintained status quo with regard to the establishment of Thromde Tshogde in each Dzongkhag as these had to be carried out, from time to time, based on feasibility as per the given criteria. The Committee reported that the amendments had also incorporated detail responsibilities of the various agencies.

As provided under Article 22.2 of the Constitution which stated that the Local Government shall include Dzongkhag Tshogdu, Gewog Tshogde and Thromde Tshogde, some of the members said that a Thromde Tshogde should be established in each Dzongkhag to promote socio-economic progress through balanced regional development. However, some members felt that while it was not a problem to establish Thromde Tshogde as per the provisions of the Constitution, it would cause huge inconvenience to both the government and the people to immediately establish a Thromde Tshogde in each Dzongkhag. Instead, they recommended that the government establish them from time to time depending on the size of the Thromdes and on fulfillment of a set of criteria which needed to be developed.

Similarly, on the proposal of the Good Governance Committee of putting the Yenlag Thromde under Gewog Administration, some members said that while it was not a problem to put the Yenlag Thromdes under Gewog Administration in certain places, it would be problematic in places where the Yenlag Thromde fell

between two Dzongkhags or Gewogs and therefore, did not support the proposal.

In addition, some members said that since the amendment of the Act was directly related to a specific ministry, a government minister should have introduced and considered it a Government Business. Since no minister had introduced the Bill this time, doubts were raised on what basis the deliberation was going to be held – as a Government or Private Member’s Business. While agreeing that amendment of the Act was directly related to a ministry, some members explained that the amendment was tabled in the National Assembly on the directive of the House and introduced not by a minister but by the Chairperson of one of the Committees. The National Council was following the same procedure. However, to ensure that similar problems do not arise in future, it was resolved that the issue shall be discussed between the two Houses and incorporated in the Legislative Rules of Procedure.

2.1 Deliberations on the Bill

The National Council deliberated on the Local Government Act (Amendment) Bill 2014 on 22/5/2014, 23/5/2014 and 2/6/2014. The following amendments and changes were made which shall be submitted to the National Assembly for re-deliberation:

Section 13

The Parliament shall, ~~from time to time~~, declare a certain geographical or administrative or economic area of the country as Thromde based on the ~~criteria prescribed in this Act~~ **by recommendation of the government**. The demarcation of Thromde boundary shall be carried out in consultation with the National

Land Commission Secretariat, and **concerned** local authority and **land owners**.

Section 18

~~All Class B Thromdes and~~ **Dzongkhag** Yenlag Thromdes shall function ~~either~~ under **the** Dzongkhag Administration ~~or the Gewog Administration as decided by the Government.~~

Section 26

A member of a Local Government may resign by submitting a letter of resignation to the Chairperson **only for the reason of prolonged ill health.**

Section 31

A member of a Local Government shall be removed upon incurring any of the following disqualifications and in accordance with the procedures ~~established by law as~~ **provided for in the rules and regulations**, if he or she:

b) Engages in any ~~party politics or activities~~ **activity that is influenced by party/candidate politics;**

j) Fails to perform his/her duty as a result of:

i) indulgence in substance abuse or alcohol; and

ii) lack of commitment.

Section 49 (d)

Submit motions/resolutions **pertaining to policies and laws** arising from Gewogs, Thromdes and Dzongkhag to Parliament and the Royal Government;

Section 61 (e)

Reject NA's amendment and retain as in the Act

Section 62 (e)

Formulate guidelines for entertainment and recreational activities and venues **in consultation with the Bureau of Law and Order.**

Section 64

Thromde Tshogde may levy the following in a manner and at such rates as maybe approved by **Parliament:** ~~it as per laws in force:~~

- (a) Land tax;
- (b) Property tax;
- (c) Property transfer tax;
- ~~(d) Betterment charges; and~~
- (e) Vacant land and underdevelopment tax;
- (f) Entertainment tax;**
- (g) Advertisement tax; and**
- (h) Such other taxes as may be determined by Parliament from time to time.**

New Section 64(1) after Section 64

~~Thromde Tshogde may levy and vary rates of fees and charges on utilities in accordance with laws passed by the Parliament.~~ **Thromde Tshogde may levy and vary rates of fees and charges as provided for in the rules and regulations and at such rates as may be approved by the Government.**

Section 69

Dzongkhag Tshogdu shall also elect a Deputy Chairperson through secret ballot for which nominations shall be made from among the members by any member and seconded accordingly. **The Dzongdag shall preside over the election of the Deputy Chairperson of the Dzongkhag Tshogdu.**

New Sub-sections after Sub-section 83 (e)

- (ee) Inform Dzongkhag administration prior to performing official travels within and outside the Dzongkhag.**
- (ef) Approve official travels outside the gewog and leave of absence from duty for the Gewog Tshogde Chairpersons.**

New Sub-sections under Section 84

- (n) Approve official travels and leave of absence from duty for Gewog Tshogde members;**
- (o) Approve official travels within the Gewog and leave of absence from duty for civil servants placed directly under the Gewog administration.**

Section 90

Reject NA's amendment and Repeal the Section as it is covered under Section 8 (b)

Section 91

~~Dzongkhag Tshogdu Thuemi from Yenlag Thromde shall participate in the sessions of Gewog Tshogde as an observer.~~

New Section 91 (1) after Section 91

Reject NA's amendment as it is covered under Section 8(b)

New Section 118 (1) after Section 118

Reject NA's amendment as it is inconsistent with Section 119

Section 205

The Gewog Administration, and ~~Class B~~ **Dzongkhag Thromde Administration and Dzongkhag Administration** shall submit timely report to Dzongkhag Tshogdu and the Dzongkhag Tshogdu in turn shall submit to the Government, and concerned Ministries, and Agencies **and concerned Members of Parliament.** ~~through the Dzongkhag Administration.~~ **The Dzongkhag Thromde Administration shall submit timely report to the Dzongkhag Tshogdu for information.**

New Section after Section 208

The Ministry of Home and Cultural Affairs shall ensure that the members of the Local Governments comply with the provisions of this Act and rules and regulations made thereunder.

Section 227

Gewog Administration, Dzongkhag administration, and ~~Class B~~ **Dzongkhag** Thromde Administration shall prepare and submit accounts as per the financial rules and regulations. ~~simultaneously to the Dzongkhag Administrations and Department of Public Accounts.~~

Section 256 (a)

Be responsible for maintaining law and order in the Dzongkhag **including the Thromde.**

Section 258

The Dzongda shall ~~participate~~ **attend** in the sessions of the Dzongkhag Tshogdu and may also ~~participate~~ **attend** the Gewog and Thromde Tshogde sessions as an observer.

Section 265

There shall be a gewog administration which shall be staffed by **but not limited to the following** civil servants:

- a) **Gewog Administrative Officer;**
- b) **Accounts personnel;**
- c) **Engineer; and**
- d) **Any other personnel.**

Section 270

Gewog Administrative Officer shall be the joint-signatory with the Gup **and Accounts personnel** for the operation of Gewog accounts;

New Sub-section under Section 273

Organize relief measures for natural disasters and emergencies in coordination with relevant agencies within Thromde.

Voting details on the adoption of the Local Government Act (Amendment) Bill

Date: 2/6/2014; Time: 12:12; Total Votes: 23; “YES”:17; “NO”:1; Abstain: 5

The following voted, “YES”:

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Tashi Wangmo
5. Hon Nima
6. Hon Sangay Khandu (Gasa)
7. Hon Sangay Khandu (Samtse)
8. Hon Kaka Tshering
9. Hon Pema Tenzin
10. Hon Sonam Wangchuk
11. Hon Jigmi Rinzin
12. Hon Rinzin Dorji
13. Hon Kamal Bdr. Gurung
14. Hon Tashi Dorji
15. Hon Pema Dakpa
16. Hon Sonam Dorji
17. Hon Tempa Dorji

The following voted, “NO”:

1. Hon Karma Damcho Nidup

The following abstained from voting:

1. Hon Tashi Wangyal
2. Hon Dhan Bdr. Monger
3. Hon Tashi Phuntsho
4. Hon Jigme Wangchuk
5. Hon Nima Gyaltshen

(Tuesday, 27th May 2014 corresponding to the 29th Day of the 3rd Month of Wood Male Horse Year of the Bhutanese Calendar)

3. Introduction of the National Assembly Act (Amendment) Bill of Bhutan 2014

The National Assembly during its 2nd Session had deliberated on the National Assembly Act (Amendment) Bill of Bhutan 2014 which focused mainly on the refund of campaign fund and other expenses to the Election Commission if a member resigned before assuming office after the elections, and other related issues based on the experience and knowledge gained from the National Assembly election in 2013. The Legislative Committee had reviewed the 23 amendments made on the Act by the National Assembly on receipt in the National Council. Accordingly, the Committee moved motion for introduction of the Bill for deliberation.

The Bill had repealed the National Assembly Speaker's Act 2004, the National Assembly Committee Act 2004, the National Assembly Members Act 1995 and incorporated these in the Amendment Bill. The National Council also added some new sections that were not there earlier in the National Assembly Act 2008. While deliberating on the Bill, the Committee submitted that the aim should be at improving and harmonizing the Act with the provisions of the Constitution and other relevant laws, and strengthening the institution.

3.1 Deliberations on the Bill

The National Council deliberated on the National Assembly Act (Amendment) Bill 2014 on 27/5/2014, 28/5/2014 and 30/5/2014. The following amendments and changes were made which shall be submitted to the National Assembly for re-deliberation:

Section 18

A member may, by writing under his or her hand, addressed to the Speaker, if the House is in session, or the Secretary General if the House is not in session, resign his or her seat therein, **in accordance with sections 19.1 and 19.2**, and upon the acceptance of such resignation by the Speaker, the seat of that member shall become vacant.

New Section 19.1 after Section 19

An elected member who submits voluntary resignation before assuming his/her responsibilities **or before expiry of the term** shall refund the **total electoral expenditure in that constituency**, ~~to campaign fund received for the general election from the~~ Election Commission.

New Section 37.2 after Section 37

The Secretary General or in his absence the ~~immediate official~~ next **senior most officer** to him shall preside over the election of the Speaker.

New Section 37.4 after Section 37

In addition to the specific powers and functions provided by the Act, the Speaker shall:

- a) preside over the National Assembly and joint sitting of the Parliament and enforce its rules for the orderly conduct of the proceedings. **Provided that the Chairperson of the National Council shall preside over a joint sitting of Parliament in the absence of the Speaker;**
- e) ~~Sign the Acts passed by the Parliament;~~

- h) fix the date for each session of **Parliament**, the ~~National Assembly~~, **in consultation with the Chairperson of the National Council**;
- l) represent the National Assembly at national events, IPU, regional conferences and meetings on official visits;

New Section 39.5 after Section 39

The ~~senior most~~ Chairperson **or Deputy Chairperson of the House** ~~a committee nominated by the House~~ shall preside over the sitting in the event that the motion is for the removal of both the Speaker and the Deputy Speaker at the same time.

Section 40

~~Any matter relating to Speaker and Deputy Speaker which is not covered under this Act shall be covered by Rules of Procedure of National Assembly.~~

~~The Speaker's Act of the National Assembly of Bhutan, as enacted by Parliament shall govern the election, powers, functions, responsibilities and other matters relating to the Speaker and the Deputy Speaker.~~

Section 108

A member who wishes to ask a question shall give not less than **ten (10)** ~~two~~ days notice of his or her intention and shall, together with the notice, submit a copy of the question he or she wishes to ask, unless the Speaker with the consent of the Minister concerned allows the question to be asked at shorter notice.

Section 240

The Budget **and** Appropriation Bill and **the** Supplementary Appropriation Bill shall ~~not be referred~~

~~to any committee~~ **be referred to a relevant Committee by the Speaker.**

Section 268

Members shall **not eat, smoke or use** ~~refrain from eating, smoking or using~~ electronic equipment, including cellular phones or lap top computers on the floor of the House.

Section 270

Retain as in the Act

Section 284

A member shall not simultaneously belong to different committees, commissions or boards except as otherwise provided by law made by Parliament, **or on the approval of the Speaker.**

New Section after section 293

A Committee Secretary, a Legal Assistant and a Draftsperson shall be appointed to aid and assist each Committee of the National Assembly who shall be responsible to the Chairperson and the Members of that Committee.

Section 299

~~The National Assembly Committees Act as enacted by Parliament of Bhutan~~ **Rules of Procedure** ~~shall govern any matters related to the Committees under the National Assembly.~~

New Section after Section 301

The secretariat shall ensure that a research assistant is provided to each member of the National Assembly.

New Section 310

~~Any person other than a member who performs any act or makes any omission contemplated in Sections 264 and 265 is guilty of an offence and liable to a maximum fine of five years daily minimum national wage rate.~~ **The penalty for breach of privileges by any person shall be a public reprimand by the House and/or the person shall be produced before the House with police escort.**

Voting details on the adoption of the National Assembly Act (Amendment) Bill

Date: 30/5/2014; Time: 09.53; Total Votes: 23; “YES”: 23; “NO”: 0, Abstain: 0

The following voted, “YES”:

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Karma Damcho Nidup
5. Hon Tashi Wangmo
6. Hon Tashi Wangyal
7. Hon Nima
8. Hon Sangay Khandu (Gasa)
9. Hon Sangay Khandu (Samtse)
10. Hon Kaka Tshering
11. Hon Nima Gyaltshen
12. Hon Pema Tenzin
13. Hon Sonam Wangchuk
14. Hon Jigmi Rinzin
15. Hon Rinzin Dorji

16. Hon Jigme Wangchuk
17. Hon Dhan Bdr. Monger
18. Hon Tashi Phuntsho
19. Hon Kamal Bdr. Gurung
20. Hon Tashi Dorji
21. Hon Pema Dakpa
22. Hon Sonam Dorji
23. Hon Tempa Dorji

*(Tuesday, 27th May 2014 corresponding to the 29th Day of the
3rd Month of Wood Male Horse Year of the Bhutanese
Calendar)*

4. Introduction of the Right to Information Bill 2014

The Member-in-Charge of the Right to Information Bill, the Hon'ble Minister for Information & Communications said that the Bill was aimed at bestowing the people with the fundamental rights enshrined under Article 7.3 of the Constitution of Bhutan, strengthening democracy to ensure that the government services were efficient, accountable and transparent, and preventing corruption. Recognizing the necessity to have a Right to Information law in the country and in keeping with the government's campaign promise, he said deliberations on the Bill began during the 1st Session of the National Assembly and thereafter adopted during the 2nd Session. He moved motion to introduce the Bill in the National Council for deliberations.

The Hon'ble Minister said that the Bill was drafted in line with the provisions of similar laws in other countries which could be applied in our country, and after thorough consultations with the ministries, agencies and departments within the country. After the deliberations in the 1st Session of the National Assembly, the Legislative Committee of the Assembly

had reviewed it again before passing it in the 2nd Session during which consultation meetings with most of the stakeholders were held. Hence, the National Council was requested to deliberate on the Bill and pass it with the objective of making it easy to implement in the society once the Bill became an Act, and make acquisition of information, which already existed, systematic.

Since it was the people who would exercise the fundamental rights by virtue of the Right to Information, some members asked how they were involved during the drafting of the Bill, whose order was sought for these consultations with the people, and whether an order was sought each time a presentation was made. While a separate order or permission was not sought for the presentation to the National Assembly, they questioned for what reasons permission was required for making a presentation to the National Council. They expressed regret on the willingness of the ministry to make the presentation only after the Hon'ble Prime Minister had granted the permission. This, they said had greatly affected equality of power of the two Houses of Parliament, and the independence and powers of the three branches of the Government.

The Hon'ble Minister for Information & Communications said that since the Bill was for the utilization of a fundamental right by the people in the future, public awareness was done through the ministries, departments, dzongkhags and gewogs though the people could not be consulted, directly. He said that the order or permission for consultations with the people had been sought only once. However, the presentation to the National Council could not be made since it was in contravention to the government procedures in place. When it was later decided to make the presentation after

consultation with the Hon'ble Prime Minister, he said that it could not be done since the National Council did not have time.

Since the Bill would greatly benefit the country and the people, the National Council was requested to thoroughly deliberate and pass it to become an Act. The Hon'ble Minister also apologized for the failure to make the presentation due to the established government procedures.

*(Thursday, 29th May 2014 corresponding to the 1st Day of the
4th Month of Wood Male Horse Year of the Bhutanese
Calendar)*

4.1 Deliberations and Recommendations on the Bill

The Chairperson of the Foreign Affairs Committee reported that the Right to Information Bill had been deliberated by the National Assembly during its 2nd Session. After receiving in the National Council, the House had directed the Foreign Affairs Committee to review it. Accordingly, he said that the Committee had planned to hold consultation meetings with the Ministry of Information & Communications which had drafted the original Bill in order to understand the background and objectives, the Legislative Committee of the National Assembly on its amendments, and other stakeholders like the civil servants, non-governmental organizations and media. While the Ministry of Information & Communications initially agreed to make a presentation on 14/4/2014 as requested, he said that the procedure requiring the approval of the Cabinet to make such a presentation later meant that it could not be done.

Considering the importance of the Right to Information Bill in the country and its benefits to the people, the Hon'ble Chairperson had consulted the Hon'ble Prime

Minister over telephone and email to enable a presentation on the Bill to be made. Further, he had personally discussed the matter with the Minister for Information & Communications. The Foreign Affairs Committee had also followed-up with the Minister for Information & Communications and expressed the need for a presentation. However, the requirement of routing the request through the Cabinet according to a resolution of the Committee of Secretaries (CoS) prevented the presentation from being made.

Just one day before the commencement of the 13th Session on 15/5/2014, a copy of a letter from the Cabinet Secretary addressed to the Secretary, Ministry of Information & Communications was received which stated that the Prime Minister's permission to make a presentation on the Bill to the National Council had been granted. In addition, a letter from the Secretary, Ministry of Information & Communications was received stating that the presentation shall be made on 19/5/2014. However, numerous internal meetings scheduled one after another following the commencement of the National Council session did not allow the presentation to take place. Even if the presentation was made, consultation meetings with relevant agencies could not be held prior to deliberations on the Bill. Therefore, the presentation could not be availed.

While the National Council fully supported the need to deliberate on the Bill in view of the importance of the Right to Information Bill in the country, the Chairperson of the Foreign Affairs Committee said that the failure to make a presentation on the background and objectives of the Bill before its adoption was essentially due to a procedure adopted by the Committee of Secretaries (CoS) which was in contravention of the provisions of

the Constitution and other relevant laws. He said that the institutions should avoid blaming and insulting one another, and instead extend support, assistance and cooperation if they were to render meaningful services to the country and the people. Henceforth, while an institution carried out its responsibilities and exercised its powers, he said that support and cooperation should be provided with due respect and regard.

Most of the members said that they supported the Right to Information Bill as it was a very important Bill for the country. However, they could not properly understand the background and objectives of the Bill because a presentation was not made to the National Council. A proper review was also not done since consultation meetings with the stakeholders and the general public could not be carried out. Therefore, they said that the Bill could not be deliberated during the current session.

The presentation on the Bill could not be made to the National Council mainly due to a procedure adopted by the Committee of Secretaries (CoS). This procedure was directly in contravention to the provisions of Articles 1.13, 10.11, 20.7 and 20.8 of the Constitution of Bhutan, Sections 39, 145, 146 and 178 of the National Council Act of Bhutan and Section 23 of the National Council Committee Rules. Moreover, approval for the presentations and consultations on the Bill was not sought from anywhere while these were carried out in 32 agencies, in particular, the National Assembly. The adoption of a deliberate procedure for the National Council showed a lack of respect towards the primacy of the institution and indicated contradiction with the principles and ideologies of the three branches of the state.

The National Council which was a supreme legislative body of Parliament had been greatly hindered in carrying out its legislative and review functions by such a procedure adopted by the Committee of Secretaries (CoS) under the Executive branch. This, the members said, erroneously projected that the Legislature was under the Executive. While the Minister for Information & Communications had asked for the support of the National Council in passing the Bill during his introduction, they said such a support could not be extended since the ministry had failed to support the National Council in the presentation of the Bill.

Some of the members said that the government's failure to provide necessary information was not limited to just the Right to Information Bill. The Ministry of Economic Affairs had not provided information and presentation on time on the Trade and Economic Cooperation Agreement between the Government of the Kingdom of Thailand and the Royal Government of Bhutan, and on the shortage of gas cylinders and kerosene oil despite repeated requests citing the need for permission from the Cabinet as its reason. As this would greatly hamper the National Council in its legislative and review works in the future, the members said that the rules and procedures needed to be strengthened, immediately. However, some of them said that since the new procedure adopted by the Committee of Secretaries (CoS) was in contravention to law, there was no need to amend or adopt new procedures. Instead, the National Council should improve and follow the existing procedures which were made in accordance with law that had facilitated in its smooth functioning over the past five years.

The National Council, after thorough deliberation on this issue, passed the following two sets of resolutions:

4.1.1 Resolution on how to proceed with the Right to Information Bill

Due to the importance of the Right to Information Bill in the country, the National Council supported the need for a Bill in principle. However, since the Ministry of Information & Communications failed to make a presentation on the background and objectives of the Bill, the National Council could not deliberate on it during the 13th Session. In order to provide an opportunity to deliberate on the Bill instead of letting it lapse, the National Council resolved to recommend the National Assembly to withdraw the Bill in accordance with the procedures laid down under Sections 17 through 23 of the Legislative Rules of Procedure 2011.

Voting details on the withdrawal of the Right to Information Bill 2014

Date: 29/5/2014; Time: 13:00; Total Votes: 23; “YES”: 22; “NO”:0; Abstain: 1

The following voted, “YES”:

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Karma Damcho Nidup
5. Hon Tashi Wangmo
6. Hon Tashi Wangyal
7. Hon Member Nima
8. Hon Pema Tenzin
9. Hon Sonam Wangchuk
10. Hon Kaka Tshering
11. Hon Jigmi Rinzin
12. Hon Rinzin Dorji
13. Hon Jigme Wangchuk
14. Hon Sangay Khandu (Samtse)
15. Hon Dhan Bdr. Monger

16. Hon Tashi Phuntsho
17. Hon Kamal Bdr. Gurung
18. Hon Tashi Dorji
19. Hon Pema Dakpa
20. Hon Sonam Dorji
21. Hon Tempa Dorji
22. Hon Nima Gyaltshen

The following abstained from voting:

1. Hon Sangay Khandu (Gasa)

(Monday, 9th June 2014 corresponding to the 11th Day of the 4th Month of Wood Male Horse Year of the Bhutanese Calendar)

4.1.2 National Assembly's decision on the National Council's resolution for withdrawal of the Bill

Since the National Council was not able to deliberate on the Right to Information Bill, it had sent back the Bill to the National Assembly for withdrawal along with justifications. The National Assembly had discussed on the issue on 5/6/2014 and had, accordingly, conveyed its resolution to the National Council to either defer the deliberations on the Bill to the winter session in accordance with Article 13.5 of the Constitution of Bhutan or deliberate on it in the Joint Sitting of Parliament, if that was not possible.

However, the National Council held that the next session referred to under Article 13.5 of the Constitution was in relation to the next session from the date of passing of a Bill from the originating House when it had to send the Bill to the other House within 30 days. Under Article 13.9, once the originating House sends the Bill to the second House, and if the Bill was not returned by the end of the next session, the Bill would be deemed passed by the second House. Therefore, it

was resolved that the National Assembly's resolution for deferment till the next session could not be accepted, and the Bill should be withdrawn as per the Legislative Rules of Procedure.

(Monday, 2nd June 2014 corresponding to the 4th Day of the 4th Month of Wood Male Horse Year of the Bhutanese Calendar)

5. Re-deliberation of the National Council Act (Amendment) Bill 2014

The National Council had deliberated on the National Council Act (Amendment) Bill 2014 during its 12th Session and sent to the National Assembly along with 34 amendments. While deliberating on the Bill during its 3rd Session, the National Assembly had not accepted 10 of the amendments and returned these to the National Council. During the re-deliberations on 2/6/2014, the National Council resolved to submit the 10 sections on which there were disagreements to His Majesty for command to deliberate in a Joint Sitting of Parliament.

5.1 The following amendments made by the National Assembly were accepted by the National Council

New section before section 11

The National Council shall be a permanent continuous House and shall not be dissolved at any time

New Section 15 B

A member of the National Council shall not resign for the purpose of participation in elections to the National Assembly before the expiry of this or her term.

(This section is to be incorporated after section 22 of the National Council Act. The Legislative Committee is directed by the House to review the cooling period provision during the amendment of the Election Act)

Section 120

The Royal Audit Authority and the Anti Corruption Commission shall submit their Annual Reports to the National Council. (as in the Act)

(The reporting requirement of ECB and OAG is to be incorporated during the amendment of the OAG and Election Acts)

5.2 The following Amendments made by the National Assembly were not accepted by the National Council, and it was resolved that these shall be submitted to His Majesty for command for deliberation during joint sitting of Parliament

Section 10 (c)

Review implementation of resolutions and laws

New section 13 (e)

~~**Possesses a minimum of ten years of work experience provided that this shall not apply to the incumbent members**~~-(deleted)

New Section 15 A

A member of the National Council intending to participate in the next National Council elections shall not be required to resign and may contest while in office, in the event, the Council elections takes place before the expiry of their term.

However, in order to ensure free and fair elections, he or she shall not be entitled to claim salary, DSA, fuel and maintenance allowance, driver allowance and voucher allowances during the election period. All his or her entitlements and privileges as member of the National Council shall cease to exist.

(This section as amended by NA is deleted from here. The House resolved that the same shall be incorporated during the amendment of the Election Act)

New Section 53A

~~**When the Deputy Chairperson is also unable to preside over sittings of the National Council, the Chairperson shall depute the Deputy Chairperson of the relevant Committee or a member as the Acting Chairperson to carry out the responsibilities of the Chairperson of the National Council.**~~ (Deleted)

Section 54

The Deputy Chairperson ~~**or the Acting Chairperson**~~ presiding over the sittings during the period of the Chairperson's absence shall enjoy the same powers of the Chairperson. He shall also perform the duties of the Chairperson and every such act performed by him shall have the same effect and validity, as if the Chairperson himself had performed the act. (As in the Act)

New Section after 97B as 97C

Government may decline to produce a document on the ground that its disclosure would be prejudicial to the safety or interest of the State. (NA proposal)**

Section 145 A

~~A Committee Secretary, a Legal Assistant and a Draftsperson shall be appointed to aid and assist each Committee of the National Council who shall be responsible to the Chairperson and the Members of that Committee.~~ (Deleted)

To enable the Committees to discharge their functions efficiently and effectively, each committee shall be provided with adequate supporting staff, equipment and befitting office space.

New Section before section 165

Non-Partisanship

A member of the National Council shall not be influenced by any political party in the performance of his/her function ~~nor~~ or will he/she campaign for any political party or candidate.

New Section 180A

~~The penalty for breach of privileges by any person shall be a public reprimand by the House and/or the person shall be produced before the House with police escort~~

Any person other than a member who performs any act or makes any omission contemplated under this Act is guilty of an offence and liable to a maximum fine of five years minimum wage.

New Section 189 (d)

~~That a research assistant is provided to each member of the National Council.~~

To enable the members of the National Council to discharge their functions efficiently and effectively, each member shall be provided with adequate supporting staff, equipment and befitting office space.

Voting details on the adoption of the National Council Act (Amendment) Bill

Date: 4/6/2014; Time: 12.34; Total Votes: 19; “YES”: 9; “NO”: 0; Abstain: 0

The following voted, “YES”:

1. Hon Kuenlay Tshering
2. Hon Karma Yezer Raydi
3. Hon Karma Damcho Nidup
4. Hon Tashi Wangmo
5. Hon Tashi Wangyal
6. Hon Nima
7. Hon Pema Tenzin
8. Hon Sonam Wangchuk
9. Hon Jigmi Rinzin
10. Hon Rinzin Dorji
11. Hon Jigme Wangchuk
12. Hon Dhan Bdr. Monger
13. Hon Tashi Phuntsho
14. Hon Kamal Bdr. Gurung
15. Hon Tashi Dorji
16. Hon Pema Dakpa
17. Hon Sonam Dorji
18. Hon Tempa Dorji
19. Hon Tharchen

*(Tuesday, 17th June 2014 corresponding to the 20th Day of the
4th Month of Wood Male Horse Year of the Bhutanese
Calendar)*

6. Re-deliberation on the Tobacco Control Act (Amendment) Bill of Bhutan 2014

The National Council had deliberated on the Tobacco Control Act (Amendment) Bill of Bhutan 2014 during its 12th Session and sent to the National Assembly. Having deliberated on the Bill during its 3rd Session, the National Assembly had returned it to the National Council along with certain amendments. After thorough re-deliberations, the National Council accepted all the amendments made by the National Assembly and resolved to submit the Bill to His Majesty for Royal Assent, as follows:

Section 11 (a)

Cultivate, harvest or manufacture tobacco or tobacco products

Section 11 (b)

Sell or distribute tobacco or tobacco products

Section 11 (c)

Buy tobacco or tobacco products

Section 11 (d)

~~**Sell tobacco or tobacco product unless identified by the Board as an outlet for sale of tobacco or tobacco products.**~~

Possess tobacco or tobacco products without proof of tax and duty payments or beyond the permissible quantity and type determined by Parliament.

Section 11(e)

Knowingly transport tobacco or tobacco products without proof of tax and duty payments or beyond the permissible quantity and type determined by Parliament.

Section 12

A person may import tobacco or tobacco products for personal consumption as per the quantity and type determined by Parliament in Annexure 1

Section 13

A person importing tobacco or tobacco products for personal consumption shall pay duties and taxes as **prescribed** by Parliament.

Section 15

All tobacco products imported for personal consumption shall show the country of origin and appropriate health warnings ~~as required by the Ministry of Health.~~

Section 16

~~All **imported** tobacco **or** and tobacco products imported for personal consumption shall show labels displaying the information on relevant constituents and emissions.~~

Section 17

All tobacco products imported for personal consumption shall not promote a tobacco product by any means that are false, misleading, deceptive or likely to create an erroneous impression about its characteristics, health effects, hazards or emissions and any other indication that creates the false impression that a particular

tobacco product is less harmful than other tobacco products.

New section 18 (h)

~~Be allowed to display tobacco or tobacco products at the point of sale.~~

Section 26 (b)

Board ~~shall~~ **may** designate smoking rooms/areas in public places under section (3) from time to time.

Section 35 (a)

Enforce quantity limitation on import of tobacco and tobacco products across borders at the entry points;

Section 40

The Road Safety and Transport Authority shall coordinate and conduct awareness programs on tobacco control within the public and private transport system.

Section 41

Any Civil Society Organization may conduct awareness programs on the ill effects of tobacco consumption

Section 50

Any person who contravenes section 11 (a) and (b) shall be punished with misdemeanor as per the Penal Code of Bhutan and pay fine equivalent to a minimum of 12 months and maximum of 35 months of minimum wage.

New section 50 A

Any person who contravenes section 11 (a) and (b) of this Act for the second time shall be punished with felony of fourth degree as per the Penal Code of Bhutan.

Section 51

~~Any person who contravenes the provision of sections 11(c) **and (d)** shall be punishable with misdemeanor if the source of supply is revealed. If the accused fails to disclose the source of supply, he or she shall be liable for the offence of smuggling in addition to the offence of **guilty of an offence under this Act, and shall in case of first conviction be punishable with a fine prescribed by the Board and for subsequent offence shall be penalized with Petty Misdemeanor as per the Penal Code of Bhutan.**~~

Any person who contravenes section 11 (c) of this Act shall be punished with **petty misdemeanor** as per the Penal Code of Bhutan. However, if tobacco or tobacco products bought is more than the permissible quantity, he or she shall be punished with **misdemeanor** as per the Penal Code of Bhutan and pay a fine three times the value of the permissible quantity of tobacco or tobacco products.

Section 51A

- a. Any person who contravenes section 11 (c) of this Act for the second time shall be punished with misdemeanor as per the Penal Code of Bhutan and pay a fine six times the value of the permissible quantity of tobacco or tobacco products.**

- b. Any person who contravenes section 11 (c) of this Act for the third time shall be punished with felony of fourth degree as per the Penal Code of Bhutan.**

Section 51B

Any person who contravenes section 11(d) of this Act shall be:

- a. Fined double the value of tobacco or tobacco products, if he or she possesses tobacco or tobacco products within the permissible quantity without proof of tax and duty payments.**
- b. Punished with petty misdemeanor as per the Penal Code of Bhutan, if he or she possesses tobacco or tobacco products beyond the permissible quantity and pay a fine equivalent to five times the value of the tobacco or tobacco products.**
- c. Punished with misdemeanor and pay a fine equivalent to ten times the value of the tobacco or tobacco products, if the person contravenes section 11(d) for the second time.**

Section 51C

Any person who contravenes section 11 (e) of the Act shall be:

- a. Fined double the value of tobacco or tobacco products, if he or she transports tobacco or tobacco products within the permissible quantity without proof of tax and duty payments.**
- b. Punished with petty misdemeanor as per the Penal Code of Bhutan, if he or she transports**

tobacco or tobacco products beyond the permissible quantity and pay a fine equivalent to five times the value of the tobacco or tobacco products.

- c. Punished with misdemeanor and pay a fine equivalent to ten times the value of the tobacco or tobacco products, if the person contravenes section 11 (e) for the second time.

Section 54

~~Any person found with tobacco or tobacco products without payment of the appropriate duties and taxes shall be guilty of the offense of Tax Evasion and penalized under the Penal Code of Bhutan.~~

~~Any person found with more than the permissible quantity for personal consumption under section 12 shall be guilty of the offence for smuggling and shall be punishable with minimum sentence of felony of fourth degree.~~

Section 54A

A person who violates any provision of this Act shall have his or her tobacco or tobacco products confiscated.

Section 54B

A person who is in possession of tobacco or tobacco products at authorized port of entry shall not be liable to be punished under this Act, if he or she has not crossed the authorized port of entry.

Section 60 (c)

~~“Cultivation **Cultivate**” means farming or growing to farm or to grow tobacco plant (Nicotiana tabecum) or~~

~~(Nicotinia rustica)~~ **for use as tobacco or tobacco products.**

Section 60 (d)

~~“Harvesting~~ **Harvest**” means reaping, ~~gathering or picking~~ **to gather leaves or any part of a** tobacco plant ~~(Nicotania tabecum) or (Nicotinia rustica)~~ **for use as tobacco or tobacco products.**

Section 60 (m)

“Distribute” means to make available or to provide tobacco or tobacco products for commercial purposes.

Section 60 (n)

“Transport” means to convey tobacco or tobacco products using any mode of transportation.

New section 60 (o)

“Value” means the cost of the tobacco or tobacco products and the applicable tax for the tobacco or tobacco products.

New section 60(p)

Public Place: An area, permanent or temporary, that is accessible to the general public or for collective use by the general public regardless of ownership or right of access.

New section 60 (q)

Tobacco Advertising and Promotion: Any form of commercial communication, recommendation, or action with the aim, effect or likely effect of

promoting a tobacco product or tobacco use either directly or indirectly.

New section 60(r)

Tobacco Sponsorship: Any form of contribution to any event, activity or individual with the aim, effect or likely effect of promoting a tobacco product or tobacco use directly or indirectly.

Annexure

Permissible quantity for import of tobacco or tobacco products per month:

1. ~~300~~ **800** sticks of cigarettes; OR
2. ~~400~~ **1200** sticks of bidis; OR
3. ~~50~~ **150** pieces of cigars; OR
4. ~~250~~ **750** grams of other tobacco or tobacco products.

Voting details on the adoption of the Tobacco Control Act (Amendment) Bill

Date: 17/6/2014; Time: 10:43; Total Votes: 23; “YES”:18; “NO”: 1; Abstain: 4

The following voted, “YES”:

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Nima
5. Hon Pema Tenzin
6. Hon Sonam Wangchuk
7. Hon Sangay Khandu (Gasa)
8. Hon Sangay Khandu (Samtse)
9. Hon Rinzin Dorji
10. Hon Pema Dakpa
11. Hon Tempa Dorji

12. Hon Tashi Wangyal
13. Hon Dhan Bdr. Monger
14. Hon Tashi Phuntsho
15. Hon Jigme Wangchuk
16. Hon Tashi Wangmo
17. Hon Nima Gyaltshen
18. Hon Kaka Tshering

The following voted, “NO”:

1. Hon Sonam Dorji

The following abstained from voting:

1. Hon Tashi Dorji
2. Hon Jigmi Rinzin
3. Hon Kamal Bdr. Gurung
4. Hon Tharchen

(Wednesday, 4th June 2014 corresponding to the 6th Day of the 4th Month of Wood Male Horse Year of the Bhutanese Calendar)

7. Introduction of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards

The Member-in-Charge of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, the Hon’ble Minister for Economic Affairs said that the Convention was signed by the United Nations in 1958 following which 149 countries had become members. It was aimed mainly at resolving trade issues between the people and agencies of these countries which could not be resolved among themselves and to enable courts to recognize the issues when they were brought before the courts. Moreover, our Economic Development Policies and Arbitration Act also provided that we should become a member of the Convention.

Therefore, he moved motion to introduce the Convention in the National Council for deliberation and ratification.

Becoming a member of the Convention would benefit in establishing foreign direct investment by encouraging investors, and greatly help in enhancing the knowledge of international arbitration among the courts, law centres and private individuals in the country.

Some members questioned whether jurisdiction under Article 10 of the Convention covered all member states or whether it was limited to some member states. They also pointed out inconsistencies in meaning while translating it into Dzongkha from the English text. On this, the Hon'ble Minister for Economic Affairs clarified that the inconsistencies in meaning due to translation had been corrected after deliberations in the National Assembly, while the jurisdiction covered all member states.

7.1 Deliberations on the Convention

The National Council thoroughly deliberated the Convention on the Recognition and Enforcement of Foreign Arbitral Awards on 4/6/2014. While the House ratified the Convention, it was resolved that a written answer shall be sought from the relevant ministry regarding jurisdiction under Article 1 (3) of the Convention.

Voting details on the Convention on the Recognition and Enforcement of Foreign Arbitral Awards

Date: 4/6/2014; Time: 11.53; Total Votes: 19; "YES":19; "NO": 0; Abstain: 0

The following voted, "YES":

1. Hon Kuenlay Tshering

2. Hon Karma Yezer Raydi
3. Hon Nima
4. Hon Pema Tenzin
5. Hon Sonam Wangchuk
6. Hon Jigmi Rinzin
7. Hon Rinzin Dorji
8. Hon Kamal Bdr. Gurung
9. Hon Tashi Dorji
10. Hon Pema Dakpa
11. Hon Sonam Dorji
12. Hon Tempa Dorji
13. Hon Karma Damcho Nidup
14. Hon Tashi Wangyal
15. Hon Dhan Bdr. Monger
16. Hon Tashi Phuntsho
17. Hon Jigme Wangchuk
18. Hon Tharchen
19. Hon Tashi Wangmo

(Friday, 5th June 2014 corresponding to the 7th Day of the 4th Month of Wood Male Horse Year of the Bhutanese Calendar)

8. Introduction of the International Convention on the Simplification and Harmonization of Customs Procedures (as Amended and also known as Revised Kyoto Convention)

The Member-in-Charge of the International Convention on the Simplification and Harmonization of Customs Procedures (as Amended and also known as Revised Kyoto Convention), the Hon'ble Minister for Finance said that with the objective of simplifying international trade and customs procedures, 114 member states had ratified the Convention in 1999 which entered into force from 2006. However, only 91 member states had become members of the revised convention among which were India and Bangladesh.

If Bhutan became a member of the Convention, international standards could be put in place, corruption could be reduced through transparent procedures, import and export related risks could be minimized through establishment of strong laws related to trade and customs, and information could be easily accessible without having to pay membership fees. Therefore, the Minister moved motion to introduce the Convention in the National Council for ratification in order to enable Bhutan to become a member.

On this, some members asked what challenges the country faced in signing and becoming members of numerous such Conventions in terms of availability of financial and human resources. They pointed out that the level of revenue from export from Bhutan was never reflected clearly. They also expressed the need to use the same words consistently while translating any Convention from English to Dzongkha. In response, the Hon'ble Finance Minister said that the expenses related to Conventions and Agreements were generally met through low interest loans. But on this particular Convention, there were no expenses that had to be incurred. There was also no requirement for additional human resources.

8.1 Deliberations on the Convention

The National Council after thorough deliberation on the International Convention on the Simplification and Harmonization of Customs Procedures (as amended and also known as Revised Kyoto Convention) on 5/6/2014, made correction in the translation on some sections and ratified the Convention.

Voting details on the Convention on the Simplification and Harmonization of Customs Procedures

Date: 5/6/2014; Time: 10:10; Total Votes: 18; “YES”:18; “NO”: 0; Abstain: 0

The following voted, “YES”:

1. Hon Kuenlay Tshering
2. Hon Karma Yezer Raydi
3. Hon Nima
4. Hon Pema Tenzin
5. Hon Sonam Wangchuk
6. Hon Sangay Khandu (Gasa)
7. Hon Sangay Khandu (Samtse)
8. Hon Kamal Bdr. Gurung
9. Hon Tashi Dorji
10. Hon Pema Dakpa
11. Hon Sonam Dorji
12. Hon Tempa Dorji
13. Hon Tashi Wangyal
14. Hon Dhan Bdr. Monger
15. Hon Tashi Phuntsho
16. Hon Jigme Wangchuk
17. Hon Tharchen
18. Hon Tashi Wangmo

(Friday, 5th June 2014 corresponding to the 7th Day of the 4th Month of Wood Male Horse Year of the Bhutanese Calendar)

9. Introduction of the Trade and Economic Cooperation Agreement between the Government of the Kingdom of Thailand and the Royal Government of Bhutan

The Member-in-Charge of the Trade and Economic Cooperation Agreement between the Government of the Kingdom of Thailand and the Royal Government of Bhutan, the Hon’ble Minister for Economic Affairs said that the relationship between Thailand and Bhutan had

flourished in keeping with the bilateral agreement of 2004. Aimed at further enhancing the relationship through trade, which required a separate trade and economic agreement in accordance with the provisions of the bilateral agreement, the present Government had taken the initiative and approved the Agreement during the 13th meeting of the Cabinet. It had been signed on 14/11/2013 between the two Governments. Therefore, he moved motion to introduce the Agreement in the National Council for ratification.

Thailand was ranked number 10 among exporting countries, and thus offered great opportunities and possibilities in terms of trade. Therefore, the Hon'ble Minister said that a Joint Trade Committee would be established which shall look into the implementation of foreign direct investment policies, resolution of trade related problems, and exploring opportunities and diversifying trade.

Although the Agreement would greatly benefit the economic and trade relations between the two countries, some of the members expressed reservation in extending their support since the Government, in particular, the relevant ministry had not given a presentation to enable them to properly understand the background and objectives of the Agreement. While potential for cooperation existed in tourism, health, hotel and other sectors, they asked what the possibilities were with regard to the import clearing house that was supposed to be established at Phuentsholing to ease imports.

On this, the Hon'ble Minister said that the Government fully supported and accepted the need to make a presentation on the Agreement. However, a procedure that had been put in place by the Committee of Secretaries (CoS) had prevented the presentation from

being made, which he said should be jointly resolved. With regard to import clearing house, procedures had been recently finalized and work had begun.

9.1 Deliberations on the Agreement

The Chairperson of the Economic Affairs Committee said that once the Parliament had ratified the Trade and Economic Cooperation Agreement between the Government of the Kingdom of Thailand and the Royal Government of Bhutan, it could be enforced like other laws of the country in accordance with the provisions of the Constitution. Since the concerned ministry had not provided a presentation before deliberations on the ratification of the Agreement began, the background and objectives of the agreement could not be clearly understood. While the Agreement itself had the Committee's support, it was submitted that the Agreement could not be deliberated during the present session. Therefore, it was recommended that the deliberations be deferred to the 14th Session, which most of the members supported.

The National Council held that the Trade and Economic Cooperation Agreement between the Government of the Kingdom of Thailand and the Royal Government of Bhutan would become a law of the country once ratified. As the concerned ministry had not provided a presentation on the background of the agreement prior to its ratification and its objectives could not be properly understood, the deliberations shall not be held during the present session. A presentation shall be sought on the Agreement. Hence, it was resolved to defer the deliberations on the Agreement to the 14th Session.

Hon'ble Kuenlay Tshering said that whenever Parliament deliberated on any international agreement,

treaty or convention, these were treated and implemented as any other law of the country once ratified. Since a procedure for ratification of such international instruments was necessary, the House had directed the Office of the Attorney General to draft the procedure. Therefore, he proposed that the procedure be properly reviewed and deliberated upon during the 14th Session.

The National Council resolved that the Legislative Committee shall initiate, in collaboration with the Office of the Attorney General, to establish the procedures which had long been pending for ratification of international agreements, treaties and conventions, and prepare for its deliberation during the 14th Session.

Voting details on the Trade and Economic Cooperation Agreement between the Government of the Kingdom of Thailand and the Royal Government of Bhutan

Date: 4/6/2014; Time: 11:04; Total Votes: 20; “YES”:18; “NO”: 1; Abstain: 1

The following voted, “YES”:

1. Hon Kuenlay Tshering
2. Hon Karma Yezer Raydi
3. Hon Nima
4. Hon Sangay Khandu (Samtse)
5. Hon Pema Tenzin
6. Hon Sonam Wangchuk
7. Hon Jigmi Rinzin
8. Hon Rinzin Dorji
9. Hon Kamal Bdr. Gurung
10. Hon Tashi Dorji
11. Hon Pema Dakpa
12. Hon Sonam Dorji
13. Hon Tempa Dorji
14. Hon Karma Damcho Nidup

15. Hon Tashi Wangyal
16. Hon Dhan Bdr. Monger
17. Hon Tashi Phuntsho
18. Hon Jigme Wangchuk

The following voted, “NO”:

1. Hon Tharchen

The following abstained from voting:

1. Hon Tashi Wangmo

(Wednesday, 11th June 2014 corresponding to the 13th Day of the 4th Month of Wood Male Horse Year of the Bhutanese Calendar)

10. Introduction of the Supplementary Appropriation Bill for the Fiscal Year 2013-14, Budget & Appropriation Bill for Fiscal Year 2014-15 and Tax Bill 2014

The Hon’ble Minister for Finance in his statement said that Bhutan was a small landlocked country with very limited resources. Budget appropriation within the country had been prioritized by limiting activities that were meaningless and non-development oriented. Of the total estimated budget of Nu. 40,355.837 million, 59% had been allocated for Current Expenditure and 41% for Capital Expenditure. The Capital Expenditure for this year was less since only the committed funds from donors were included. However, the amount would increase when additional grants were incorporated, later. Supplementary Budget of Nu. 5,157.626 million for the Fiscal Year 2003-14 that had been spent was also submitted for approval.

The National Budget for the Fiscal Year 2014-15 was categorized under 9 Chapters comprising of the Real

Budget Expenditure for the Fiscal Year 2012-13, the Country's Past Economic Performance, Estimated Supplementary Budget for Fiscal Year 2013-14, Estimated Budget for Fiscal Year 2014-15, Tax Revision, Mid-Term Projection of the Country's Economy, Government Share Holdings, Government Controlled Businesses and Companies, Royal Monetary Authority, National Pension & Provident Fund and Trust Funds.

During the first year of the 11th Plan, priorities had been placed on strengthening the economy through implementation of Gewog Development Grants and Economic Stimulus Plans. Aimed at the principle of meaningful expenditure, long-term balance of budget, and long-term revenue differences, the budget for 2014-15 had supported the proposals as submitted by the agencies. The highest budget was Nu. 6,689.048 million in the Education Sector, which was 17% of the total budget.

In order to increase revenue, enhance savings and provide business opportunities in the country, the Hon'ble Minister said that business tax for small and medium scale businesses in rural areas and tax on interest from personal income tax shall be exempted, and measures for indirect taxes implemented. Vehicle sales tax, excise duties and green tax shall be revised; kerosene, petrol and diesel imposed green tax; taxes for distribution of pharmaceuticals and aircraft spare parts revised; and sales tax for telecommunications imposed.

On this, some of the members said that the measures recently proposed by the Pay Commission should be implemented in order to bring about meaningful expenditure. They asked how the prioritization has been done for some of the Gewog roads that were identified for black-topping. Questions were also raised as to why

Bongdima under Mongar Dzongkhag was not included under Special Economic Plan, and when works related to policies for curbing inflation would begin.

In response, the Hon'ble Minister for Finance said that the measures for meaningful expenditure would be adopted as and when appropriate. On the black-topping, the aim was to cover the roads in all the Gewogs. However, Bongdima Economic Zone under Monger Dzongkhag could not be included in the current budget due to the absence of a good motorable road, high cost that would be incurred and long time that it would take. With regard to inflation, he said that a committee of relevant agencies would be formed to review the policies.

10.1 Deliberations on the Supplementary Budget Appropriation Bill for Fiscal Year 2013-14

The National Council thoroughly deliberated on the Supplementary Budget Appropriation Bill for the Fiscal Year 2013-14 on 11/6/2014 and passed it without any amendment or change.

Voting details on adoption of the Supplementary Budget Appropriation Bill for Fiscal Year 2013-14

Date: 11/6/2014; Time: 12.58; Total Votes: 21; "YES": 21; "NO": 0; Abstain: 0

The following voted, "YES":

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Nima
5. Hon Pema Tenzin
6. Hon Sonam Wangchuk
7. Hon Sangay Khandu (Gasa)

8. Hon Sangay Khandu (Samtse)
9. Hon Rinzin Dorji
10. Hon Kamal Bdr. Gurung
11. Hon Tashi Dorji
12. Hon Pema Dakpa
13. Hon Sonam Dorji
14. Hon Tempa Dorji
15. Hon Tashi Wangyal
16. Hon Dhan Bdr. Monger
17. Hon Tashi Phuntsho
18. Hon Jigme Wangchuk
19. Hon Tharchen
20. Hon Jigmi Rinzin
21. Hon Tashi Wangmo

10.2 Deliberations on the Budget and Appropriation Bill for Fiscal Year 2014-15

The National Council deliberated on the Budget and Appropriation Bill for the Fiscal Year 2014-15 on 11/6/2014 and 12/6/2014 and resolved to make the following recommendations:

Section 6 of the Budget and Appropriation Bill for Fiscal Year 2014-15

The amendments and recommendations on the appropriation are as follows:

1. No. 4: National Council

- A. The annual budget of Nu. 0.130 million allocated to each member for ex-country travel was not sufficient since attending meetings and workshop were priorities under the obligations of bilateral and regional agreements. The Parliament of Bhutan had recently joined the Inter-Parliamentary Union (IPU) as a member where it had to attend the General Assembly, twice a year.

Exchange visits also had to be undertaken with other Parliaments to share experiences, and at the same time, attend numerous other international meetings. Therefore, it was recommended that the budget for ex-country travel of the National Council be retained as proposed at Nu. 5.892 million.

- B. Since the sessions of the National Council had to be conducted for long periods to discuss issues of importance to the nation and the people, huge expenses had to be accordingly incurred. Based on the past experiences, the proposed session budget of Nu. 1.500 million was found to be insufficient. Therefore, it was recommended that the budget be increased to Nu. 1.800 million.
- C. If fruitful results were to be achieved while the National Council carried out its responsibilities in accordance with the Constitution and other relevant laws, numerous activities related to research and review had to be carried out. Therefore, it was recommended that the proposed budget of Nu. 0.550 million for Professional Services be provided.

2. No. 13: Bhutan Olympic Committee

While acknowledging the efforts of the Government to install various sports facilities, it was recommended that such facilities free of charge be established in every Dzongkhag, if possible, to benefit and provide equal opportunities in the society, especially, the youth.

3. No. 26: Tourism Council of Bhutan

A On the Government's target of bringing in 200,000 tourists in the fiscal year 2014-15, it was recommended that the estimates of dollar paying tourists and Indian tourists be segregated and shown clearly.

B With regard to Nu. 15.620 million allocated for tourist exhibition/road shows, past experience had shown that this was not very useful. Therefore, it was recommended that the above budget be shared for balanced regional tourism and development of tourism facilities such as home-stay and toilets in places where tourists lived, allocating major share of the budget to the two latter activities.

4. No. 38: Ministry of Agriculture and Forests

The main source of income for farmers was cash crops. Therefore, it was recommended that the government allocate a separate budget to encourage and enhance farmers' engagement in cash crop farming.

5. No. 39: Ministry of Economic Affairs

Four areas had been identified as Special Economic Zones and preparatory budget provided for three of the areas which the National Council supported. Bongdima under Monger Dzongkhag had also been identified as a Special Economic Zone under the 11th Plan and land been acquired from the people of the area causing great inconvenience to them. The Government had, however, not included it in the current fiscal year due to the absence of a good motorable road, high

cost that would be incurred and long time that it would take. Therefore, it was recommended that the Government include Bongdima as a Special Economic Zone in the fiscal year 2015-16 for balanced regional development and upliftment of the community.

6. No. 40: Ministry of Works and Human Settlement

A. Under the activities listed for construction of national highways, the construction of Shinghar-Gorgan highway had not been included in the current budget. To facilitate construction in the subsequent fiscal years, it was recommended that certain budget be allocated to initiate preliminary works on the road construction.

B. During the current fiscal year, about 8 gewogs had been identified for blacktopping various types of roads. Therefore, it was recommended that the criteria for prioritization of the identified roads for black topping in the gewogs be publicized.

C. Instead of further improving the highways that were already very good, it was recommended that the government widen the highways that were in poor conditions and upgrade to double-lane like the others, and also increase connectivity of roads in some of the Dzongkhags.

7. No. 41: Ministry of Information and Communication

A. To avoid direct wastage of the budget of Nu. 27.160 kept for the construction of Community Information Centres, it was recommended to use the already existing vacant government houses

instead of constructing new ones. Once these were established, proper awareness should be created so that the people could use the services, properly.

B For the consultancy works in the three Category A Thromdes, it was recommended to consult experts from within the country instead of inviting foreign consultants.

8. No. 44: Ministry of Labour and Human Resources

Although the unemployment rate for the year 2012 was reported at 2.1% while presenting the Budget Report for the Fiscal Year 2014-15, it had increased to 2.9% according to a recent report of the Ministry of Labour and Human Resources. Since there were differences between these reports, it was not clear which one should be considered correct. To provide clarity, it was recommended that the government while submitting such reports in future should carry out research on all the relevant data and submit the detail reports based on the most recent information available.

9. General

1 Foreign Currency Reserve

According to the Annual Budget Report 2014, the foreign currency reserve for the year 2012-13 was sufficient to import essential goods for 29.3 months. However, the recent Pay Commission Report stated that the reserve for that fiscal year was sufficient to import essential goods for 9.8 months only. Since the information in the two

reports showed vast differences, it was recommended that the government submit another report indicating the correct information.

2 Meaningful Expenditure

The Budget Report had included a few provisions to ensure meaningful expenditure. Although, the Pay Commission had recently proposed measures for internal revenue generation by limiting annual increase in civil servant numbers to 2%, doing away with pool vehicles, reduction of in-country travel and lump sum payment of salary related allowances, the Annual Budget Report had included only reduction of in-country travel while the rest were excluded. Therefore, it was recommended that the government implement these and such other measures for generation of internal revenue and reduction of expenditure.

3 Current Expenditure

Under Sl. # 7, Table 4.4, Chapter 4 of the National Budget Report, the Bhutan Education City office had been allocated Nu. 6.548 million as Capital Expenditure. Since the present government had shelved the Education City Project, it was recommended that a separate Capital Budget need not be provided.

4 Capital Expenditure

The capital expenditure under the budget for the fiscal year 2014-15 was less since only the committed funds from donors were included. This new system was good. However, if works on the various activities began only once the funds were secured, the fiscal year came to an end in between

as survey, design and tendering processes took long time. Therefore, it was recommended that the Ministry of Finance direct the dzongkhags, departments and agencies to prepare the survey, design and tenders in advance for the activities where funding was probable.

5 Local Governments: Dzongkhags and Gewogs

Under Section 4.8, Chapter 4 of the National Budget Report, local governments were included under a separate section as requested by the National Council during its past sessions for which the House was grateful. For clearer understanding while reviews were conducted, however, it was recommended that the prioritized programs of the gewogs and dzongkhags be clearly incorporated in tabular form like that of other agencies.

6 Inflation

Under Section 6.1.2, Chapter 6 of the National Budget Report, it was reported that the society faced massive problems due to yearly inflation in the country. The increase in the price of goods was mainly an indication of decrease in revenue. The previous Budget had also reported on inflation. Since this was an important issue, it was recommended that the government carry out further research and reviews to come up with a policy for implementation at the earliest to prevent inflation.

7 Foreign Agencies

Under Section 6.4, Chapter 6 of the National Budget Report, the economic difficulties in the

country during the previous years was attributed to the shortage of Indian Rupee, which was caused mainly due to hydropower project related imports and its total accumulation. The government had reported the continuation of such economic problems in the year 2015. Therefore, it was recommended that the government and concerned agencies consult and establish a high-level working committee to come up with immediate measures to prevent the macro-economic problems in the country.

**Voting details on adoption of the Budget and
Appropriation Bill for Fiscal Year 2014-15**

Date: 12/6/2014; Time: 15:45; Total Votes: 22; “YES”: 22;
“NO”: 0; Abstain: 0

The following voted, “YES”:

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Nima
5. Hon Pema Tenzin
6. Hon Sonam Wangchuk
7. Hon Sangay Khandu (Gasa)
8. Hon Sangay Khandu (Samtse)
9. Hon Rinzin Dorji
10. Hon Kamal Bdr. Gurung
11. Hon Tashi Dorji
12. Hon Pema Dakpa
13. Hon Sonam Dorji
14. Hon Tempa Dorji
15. Hon Tashi Wangyal
16. Hon Dhan Bdr. Monger
17. Hon Tashi Phuntsho
18. Hon Jigme Wangchuk
19. Hon Tharchen

- 20. Hon Jigmi Rinzin
- 21. Hon Karma Damcho Nidup
- 22. Hon Tashi Wangmo

(Thursday, 12th June 2014 corresponding to the 14th Day of the 4th Month of Wood Male Horse Year of the Bhutanese Calendar)

10.3 Deliberations on the Tax Bill 2014

The National Council thoroughly deliberated on the Tax Bill 2014 on 12/6/2014 and resolved to make the following amendments, changes and recommendations:

1. Chapter 2, Revision of Income Tax

On the proposal for revision of Income Tax under this chapter, the National Assembly had held that to revise income tax, the Income Tax Act 2001 should be amended following the general procedures for amendment of other Acts. Therefore, it was resolved that the deliberations shall be held during the next session. The National Council, accordingly, endorsed the resolution of the National Assembly.

2. Chapter 3, Section 3.1

The main objective of increasing the vehicle tax was to build Indian Rupee and Dollar reserves by reducing the import of vehicles through increase of tax on vehicles run on fossil fuel. However, import of electric vehicles, which was allowed without taxes, would also be made through payment in rupees and dollars. Therefore, the objective and measures adopted for building the reserves were contradictory. Since import of electric vehicles would also affect the rupee and dollar reserve, it was recommended that excise

duties and sales tax be imposed on electric vehicles just like any other vehicle.

3. Chapter 4, Section 4.4

A Green tax had been imposed on regular petroleum run vehicles because of the harm caused to the environment. While electric vehicles did not produce air pollutants, disposal of batteries harmed the environment. Therefore, it was recommended that the electric vehicles should also be imposed green tax. Green tax for the hybrid vehicles should be less than the regular vehicles while the tax for the electric vehicles should be less than that imposed on the hybrid vehicles.

B Since tax on regular vehicles was quite high, it was recommended that this be reviewed and the following issues studied:

- 1 Tax for small petrol run vehicles should be less, or alternately the tax rate of 2012 should be retained; and
- 2 Possibilities for exemption or reduction of tax on public transport vehicles should be explored.

Reasons for the above Recommendations

- 1 The feeling was that people were encouraged to purchase electric vehicles through imposition of many taxes on petroleum run vehicles making them expensive for the poorer people to afford;
- 2 The parking space problem in all the villages and towns were considered similar to the parking space problem in few Thromdes which would

adversely harm different Dzongkhags and villages;
and

3 The objective of imposing the tax to reduce import of petroleum was not fair since:

A According to research, it was shown that import of petroleum, especially diesel, was mainly for big hydropower projects, big industries and transportation, and it was not fair to impose the same tax on the general public; and

B The imported petroleum was not used only by Bhutanese people, but was highly utilized by foreigners along the border, and it was not fair to impose the tax only on the Bhutanese people.

4. Chapter 4, Section 4.5

It was recommended that the government's proposal to impose 5% green tax on petrol and diesel be revoked.

Reasons for the above Recommendation

1 While the objective of imposing green tax on diesel and petrol was to prevent black marketing and utilization of most of the fuel in the bordering country, there would still be difference in cost of fuel if India and Bhutan both imposed green tax and the objective could not be achieved;

2 The increase in cost of fuel because of fuel tax would result in increase of cost of transportation and goods, which would affect the general public;

- 3 The salary increase granted by the government was mainly due to increase in cost of goods. However, the increase in cost of price of goods due to the current tax revision was in contradiction with the objective of pay revision;
- 4 The revision and increase of petroleum tax was based on few towns, bordering Dzongkhags and, hydro and industrial projects which would greatly affect the people of other Dzongkhags; and
- 5 While the increase in vehicle tax would affect the buyer of the vehicle alone, the increase in fuel tax would affect the general public.

Voting details on adoption of the Tax Bill

Date: 12/6/2014; Time: 14:56; Total Votes: 22; “YES”: 22; “NO”: 0; Abstain: 0

The following voted, “YES”:

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Nima
5. Hon Pema Tenzin
6. Hon Sonam Wangchuk
7. Hon Sangay Khandu (Gasa)
8. Hon Sangay Khandu (Samtse)
9. Hon Rinzin Dorji
10. Hon Kamal Bdr. Gurung
11. Hon Tashi Dorji
12. Hon Pema Dakpa
13. Hon Sonam Dorji
14. Hon Tempa Dorji
15. Hon Tashi Wangyal
16. Hon Dhan Bdr. Monger
17. Hon Tashi Phuntsho
18. Hon Jigme Wangchuk

19. Hon Tharchen
20. Hon Jigmi Rinzin
21. Hon Karma Damcho Nidup
22. Hon Tashi Wangmo

F. Issues related to Reports

1. Report on the Annual Anti-Corruption Commission Report 2013

The Annual Anti-Corruption Commission Report 2013 was reviewed by the Good Governance Committee of the National Council and presented to the House in detail based on the performance of the Anti-Corruption Commission, international standing on corruption, implementation status of parliamentary resolutions and challenges in fighting corruption.

Under performance of the Anti-Corruption Commission, it was reported that the previous divisions had been changed to thematic sectors, viz., Human Resource Management and Development sector, Procurement and Construction sector, Land and Natural Resources sector, and Financial and Commercial sector in order to improve delivery of anti-corruption services. Most of the unresolved cases of the past 5 years had been settled, and measures put in place to resolve some of the cases jointly with the agencies concerned.

According to International Transparency Index 2013, Bhutan was placed at number 31 from among 177 countries, and placed at number 6 in the Asia Pacific Region from among 28 countries. Further, Bhutan had scored 3.37 on the International Competitive Standard and was placed at number 109 from among 148 countries, which showed that Bhutan's standard was

just an average indicating its vulnerability towards corruption.

On implementation of the resolutions of Parliament, it was reported that the Anti-Corruption Commission had welcomed the resolutions passed by the National Council during its 11th and 12th Sessions on which it had to act and that these were, accordingly, being implemented.

The report also highlighted the many challenges faced by the Anti-Corruption Commission while discharging its duties such as deficiencies in the administrative system, proliferation of trade licenses, shortage of human resources in both the Anti-Corruption Commission and the Office of the Attorney General, prolonged process of trial, lack of established system for implementation of judgment, and lack of coordination among agencies.

The National Council deliberated on the Annual Anti-Corruption Report 2013 on 6/6/2014 and 17/6/2014, and resolved as follows:

Acknowledging that despite the Anti-Corruption Commission's unwavering efforts towards fighting corruption, the lack of commitment by the stakeholders to strengthen administrative systems, weak enforcement of the verdicts from the Courts, prolonged trial duration of some cases, and human resource constraints at the Anti-Corruption Commission and Office of the Attorney General are some of the challenges;

Recognizing that addressing the aforementioned challenges is imperative to enhance the efficacy of the Anti-Corruption Commission's effort in fighting corruption;

Noting that the purpose of annual asset declaration is to maintain a check on public servants from acquiring disproportionate assets through illegal means;

Considering that an adequate amount of time is needed for the National Council to conduct a thorough review on the Anti-Corruption Commission's Annual report;

The National Council, hereby, resolves that the Anti-Corruption Commission:

1. Submits the subsequent annual reports latest by April;
2. Incorporates the following information in its future annual reports, if available:
 - Details of agencies and cases for which the Courts' judgements are not implemented; and
 - Actions taken against those individuals whose asset declaration showed disproportionate assets.

Voting details on the adoption of Recommendations to the Annual Anti-Corruption Commission Report

Date: 17/6/2014; Time: 11:01; Total Votes: 24; "YES": 24; "NO": 0; Abstain: 0

The following voted, "YES":

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Nima
5. Hon Pema Tenzin
6. Hon Sonam Wangchuk
7. Hon Sangay Khandu (Gasa)
8. Hon Sangay Khandu (Samtse)
9. Hon Rinzin Dorji

10. Hon Pema Dakpa
11. Hon Tempa Dorji
12. Hon Tashi Wangyal
13. Hon Dhan Bdr. Monger
14. Hon Tashi Phuntsho
15. Hon Jigme Wangchuk
16. Hon Tashi Wangmo
17. Hon Nima Gyaltshen
18. Hon Kaka Tshering
19. Hon Karma Damcho Nidup
20. Hon Sonam Dorji
21. Hon Tashi Dorji
22. Hon Jigmi Rinzin
23. Hon Kamal Bdr. Gurung
24. Hon Tharchen

(Tuesday, 3rd June 2014 corresponding to the 5th Day of the 4th Month of Wood Male Horse Year of the Bhutanese Calendar)

2. Pay Revision Report

The Hon'ble Minister for Finance in his presentation said that to achieve the objective of good governance in the country through strong and efficient public service, public servants and civil servants should not be allowed to lose their enthusiasm to serve the government but rather encouraged to render efficient and professional services. Towards that end, the Government had, in accordance with its campaign promise, established a Pay Commission which recommended that the pay be revised by 20% after merger of the existing lump sum allowance on the 2010 pay scale for all the civil servants, monetize the vehicle quota system and do away with the government pool vehicle system.

While the Government reviewed the recommendations, it had kept in mind that the public servants got a higher take home pay within the fiscal space and that these did not require changes in the existing laws and

regulations. The Hon'ble Minister said that the pay scale for the civil servants was revised by 19% to 25% based on their position level including the lump sum salary allowance of 2010. In addition, all civil servants would receive a house rent allowance of 20%.

The Hon'ble Prime Minister, Government Ministers and those of equivalent positions would, similarly, receive an increase in accordance with the resolution of the National Assembly of the previous Parliament. The Hon'ble Minister also reported on the salary increase for Members of Parliament, Constitutional Post Holders, Members and Commissioners, Constitutional Post Holders under the Judiciary, Royal Privy Council and Attorney General.

He also presented the proposed salary revision of non-civil servants such as General Service Personnel, Elementary Service Personnel, non-formal education instructors, contract teachers, artists of the Royal Academy of Performing Arts and local government functionaries. He said that the allowances and benefits such as lump-sum allowance, salary based allowance, house rent, foreign-service allowance, travel & mileage, retirement and pension benefits, and benefits of corporations and other agencies had also been reviewed and increased. Similarly, Members of Parliament including the Ministers shall be given a lump sum grant of Nu. 1,000,000/- for purchase of vehicle. However, the tax free vehicle quota previously given to the public servants will be monetized and the government pool vehicle system be withdrawn after thorough discussion with the civil servants.

The Hon'ble Minister said that the sources of financing the pay revision shall be the revision of Chhukha hydro-electricity tariff, additional personal income tax from the

salary increase, tax revenue from the change in the vehicle quota system, and other fiscal measures.

The pay revision which shall come into effect from 1st July 2014 was presented to the National Council in accordance with the provisions of Article 30.3 of the Constitution of Bhutan.

While applauding the numerous policies adopted by the government to revive the weakening economy, some of the members expressed doubt that the salary revision to fulfill the government's campaign promise might in fact harm the country's economy. They asked what kind of policies were in place to prevent the escalation of prices in the market. Questions were also raised whether the current pay revision would cover the Royal Bhutan Police.

In response, the Hon'ble Minister for Finance said that in accordance with the government's campaign promise, a Pay Commission had been established which had, after thorough review, found that the salary revision was feasible through revision of the Chhukha hydro-electricity tariff and other measures. While the relevant institutions were in the process of framing policies to prevent the escalation of market prices, the present salary revision would not cover the Royal Bhutan Police.

2.1 Deliberations on the Principles of Pay Revision

The government's assertion that the salary revision shall be implemented through measures to reduce expenditure despite the poor state of the country's economy was not trustworthy because it would be similar to spending first for salary revision and then coming up with measures, later. Therefore, while the House agreed to support the enforcement of salary revision for civil servants from 1st July 2014 as proposed

by the government, the increase of 19 to 25% should be reviewed once again since it was just the merger of the allowance of 2010.

It was agreed that the revision of salaries for the Hon'ble Prime Minister, Cabinet Ministers and those of equivalent positions, Members of Parliament, Constitutional Post Holders, Members and Commissioners, Constitutional Post Holders under the Judiciary, Royal Privy Council, Attorney General, Cabinet Secretary and Government Secretaries should be deferred till the policies for enhancing internal revenue and reduction of expenditure were implemented, and that every deliberation should be aimed solely towards the interest of the nation and the people without violating the provisions of the Constitution and other relevant laws.

The National Council thoroughly deliberated on the Pay Revision Report on 3/6/2014 and resolved to submit the following recommendations and resolutions, on the conditions and changes, on the pay revision to the Royal Government and the National Assembly:

Pay Revision

Non-Civil Service

Prime Minister, Cabinet Ministers and Equivalent Positions

- A. The National Council resolves that the pay raise for the Prime Minister, Cabinet Ministers and equivalent positions should be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized considering

that the country's economy continued to face great difficulties.

- B. The National Council resolves that the pay revision for the Prime Minister, Cabinet Ministers, Speaker, Chairperson and Opposition Leader be done whenever the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized. The revision should be based on the new basic pay of Nu. 65,930/- for Members of Parliament proposed by the government since they are also Members of Parliament. However, the pay for Deputy Chairperson of the National Council and Deputy Speaker of the National Assembly should be 10-15% higher as provided for in the Parliamentary Entitlement Rules. The pay for Cabinet Ministers and equivalent positions and that of the Prime Minister should be higher by 50% and 100%, respectively.

Members of Parliament

The National Council resolves that the pay revision for Members of Parliament be as proposed by the government. However, the revision should be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized.

Holders, Members and Commissioners of Constitutional Bodies

The National Council resolves that the pay revision for Holders, Members and Commissioners of Constitutional Bodies be as proposed by the government. However, the revision should be deferred until the revenue generation and cost-cutting measures identified by the government

to finance the pay revision are implemented and realized.

Constitutional Post Holders under the Judiciary

The National Council resolves that the pay revision for Constitutional Post Holders under the Judiciary be as proposed by the government. However, the revision should be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized.

Privy Council

The National Council resolves that the pay revision for Chairman and Members of Privy Council be as proposed by the government. However, the revision should be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized.

Attorney General

The National Council resolves that the pay revision for the Attorney General be as proposed by the government. However, the revision should be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized.

Civil Service

- A. The National Council resolves that the pay revision for Cabinet Secretary and Government Secretaries be as proposed by the government. However, the revision should be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized.

- B. The National Council recommends the government to merge the salary allowance of 2010 to the basic pay, and that the 20% revision be based on that merged figure as recommended by the Pay Commission. This is in view of the fact that the government's Pay Revision Report has indicated pay revision for civil servants to be between 19 and 25% for different position levels, which however, is inclusive of the pay allowance that they were already paid since 2010. The actual pay revision is found to be between 4 and 10% only.
- C. The National Council resolves that the pay scale for GSP and ESP position levels be revised by the government after reviewing them.

Others – Non-Civil Service

Non-Formal Education (NFE) Instructors

The National Council recommends that the government not only consider pay revision for instructors of Early Child Care and Development (ECCD) program but recommends consideration of a revision that is higher than NFE instructors since the basic qualification required for them is Class XII.

Consolidated Contract (main teachers)

The National Council recommends the government to revise the pay for Community-Based Teachers by 40% similar to the pay revision for Consolidated Contract Employees.

Local Government

The National Council resolves that the pay of Thromde Thuemis also be clearly reflected in Table 1.3.5. It recommends that the government consider revising the pay of Dzongkhag Tshogdu Thrizin and Thrizin Wogma by 50% and 20%, respectively. It resolves that other entitlements and allowances such as pay scale and retirement benefits of local government officials be provided as per the Local Government Entitlement Act.

Allowances and Benefits

Salary Based Allowances

New Professional Allowance

The National Council recommends the government to consider paying secretariat officials of both houses of Parliament with professional allowances during parliament sessions. The Parliament of Bhutan is the highest law-making institution. Based on provisions of the National Council and National Assembly Acts, the verbatim of proceedings as well as the resolutions of both houses have to be transcribed, drafted and published on time. Officials of the two houses are required to work at odd hours transcribing verbatim and drafting resolutions in addition to their official responsibilities. The Parliament Session Allowance would be an incentive to them for undertaking these additional responsibilities during parliament sessions which are conducted for extended period of time.

House Rent Allowance

- A. The National Council resolves that the government pay 20% House Rent Allowance to public servants even if they are provided with

designated housing, institutional housing and NHDC housing. If the applicable house rent based on carpet area of the house is either more or less than the eligible House Rent Allowance, the difference should either be paid for or retained by the public servants.

- B. The National Council recommends that matrons/wardens of schools/institutions occupying accommodation attached to hostel be paid 100% House Rent Allowance instead of the 50% proposed by the government.
- C. The National Council recommends that the government pay the principals of schools, like other civil servants, the 20% House Rent Allowance. If the applicable house rent based on carpet area of the housing they are provided with is either more or less than the eligible House Rent Allowance, they should either pay or retain the public difference. If they do not occupy a government housing facility, they must also be paid the 20% House Rent Allowance.
- D. The National Council recommends that a house rent of Nu.3,275 payable to an employee of S1 position level be paid equally to all civil servants below S1 if the government is not able to implement the National Council's recommendation on Section 1.2.B to merge the 2010 pay allowance to the civil servants' basic pay and then revise it by 20% based on that merged figure. This is in view of the fact that the 20% House Rent Allowance provided to this group of civil servants actually translate to a little over Nu.1000, which is not realistic considering prevailing house rents in urban areas.

Foreign Service Entitlements

Carriage of Personal Effects

The National Council recommends the following amendments:

~~“In lieu of~~ The actual expenses for carriage of personal effects including accompanied baggage and transport of personal vehicles during transfer of diplomats from and to the headquarter, ~~a lumpsum pay be will be made~~ **are being reimbursed. In addition to the existing practice, the diplomats and eligible staff attached to Embassies/Missions abroad shall have the option to claim lumpsum expenses** as given in Annexure 4 A and 4 B.

Travelling Allowance

Daily Allowance (DA) – In-country

The National Council recommends the following amendment in the third column of 2nd and 3rd rows of Annexure II as follows.

Actual lodging in one room (~~maximum of Nu.3000~~) plus Nu.800 or lump sum DA of Nu.1500.

Daily Subsistence Allowance (DSA) in India

The National Council recommends the following amendment in the third and fourth columns of 2nd row of Annexure III as follows.

State Capitals

Actual lodging (~~maximum of Nu.12,000~~) plus Nu.2000 or lump sum of Nu.6,500.

Other Places

Actual lodging (~~maximum of Nu.8,000~~) plus Nu.1500 or lump sum of Nu.4,500.

The National Council also recommends the Government to clarify Note 3 under Annexure III. It states that ‘Officials under Sl. No.1 shall be entitled to 5 star hotels, subject to any monetary limits.’ However, the Revised DSA for officials under Sl. No. 1 for both state capitals and other places are said to be on the basis of actual expenses. Note 3 suggests there is a monetary limit to ‘actual expenses’ as well. This has to be clarified.

Travel Allowance (TA) Mileage

The National Council resolves that every civil servant be eligible for the revised mileage of Nu.16/km irrespective of their position levels if they use their own vehicles. For those civil servants who own and use two wheelers, the option to pay the revised mileage of Nu.6/km should also be kept.

Travelling Allowance of Local Government Functionaries

The National Council recommends the government to pay a lump-sum amount of TA to Gewog Gaydrungs and Tshogpas for travel within the Gewog similar to allowances for Gups and Mangmis. Besides, **it also recommends** amendment in the last column of Table 2.5.5 as follows:

“TA on non-motorable route as per day or ~~actual bus fare~~ **mileage** on motorable routes.”

Tax Free Vehicle Quota for Public Servants

The National Council resolves that the government review the decision to monetize the tax free vehicle quota and submit a report.

Government Pool Vehicle

The National Council resolves that the government discuss the issue of government pool vehicles “with the civil servants” as it has submitted to the House to do so.

Lump-sum Grant for Purchase of Vehicles

The National Council resolves that the payment of additional Nu.300,000 to the lump-sum grant of Nu.700,000 for purchase of vehicles for Members of Parliament be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized. **It further resolves** against the decision to provide the grant to ‘elected Ministers.’

Post Service Benefits

Pension Reforms

The National Council resolves that the government conduct a review of the Pay Commission’s recommendations - as it has decided - relating to pension formula and suspension of pension payment on re-employment in order to minimize the impact of salary increase on the sustainability of the pension fund and liabilities that would accrue to the Government in future.

6. Financial implication of pay revision and resources

6.2 Sources for Financing the Pay Revision

The National Council recommends the government to consider increasing the taxable income bracket to Nu.200,000 from the existing Nu.100,000 as proposed by the Pay Commission in order to benefit the lower income level public servant. This is because the government has identified additional PIT from salary increase as a source of payment for pay revision.

Voting details on the adoption of Recommendations on the Pay Revision Report

Date: 3/6/2014; Time: 21:03; Total Votes: 21; “YES”: 21; “NO”: 0; Abstain: 0

The following voted, “YES”:

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Tashi Wangmo
5. Hon Nima
6. Hon Sangay Khandu (Gasa)
7. Hon Sangay Khandu (Samtse)
8. Hon Pema Tenzin
9. Hon Sonam Wangchuk
10. Hon Jigmi Rinzin
11. Hon Rinzin Dorji
12. Hon Kamal Bdr. Gurung
13. Hon Tashi Dorji
14. Hon Pema Dakpa
15. Hon Sonam Dorji
16. Hon Tempa Dorji
17. Hon Karma Damcho Nidup
18. Hon Tashi Wangyal
19. Hon Dhan Bdr. Monger

20. Hon Tashi Phuntsho
21. Hon Jigme Wangchuk

*(Monday, 9th June 2014 corresponding to the 11th Day of the
4th Month of Wood Male Horse Year of the Bhutanese
Calendar)*

G. Issues related to Review of Policies

1. Shortage of LPG Gas Cylinders and Kerosene Oil

The National Council during its 11th Session had directed the Economic Affairs Committee to review the issues related to the problem of shortage of LPG gas cylinders and Kerosene Oil and to report to the House during the 12th Session. However, additional research needed to be carried out in view of the importance of the issue in the society. Therefore, the report could not be submitted to the House during the 12th Session, except for a summary of the study with a few observations and recommendations.

LPG was used as a primary cooking fuel in Bhutan, and was a commodity that could not be done away with, especially in the towns. However, there were problems in the distribution of cylinders causing inconvenience to the people in the communities. According to Ministry of Economic Affairs, it was estimated that around 200,000 gas cylinders were imported annually, but distribution lists showed only around 40,000 cylinders. While distribution was higher in Thimphu Dzongkhag, it was lower in Gasa and Tsirang Dzongkhags.

Due to the increase in population, the Indian Government had increased the allocation of LPG cylinders for the Bhutanese people from 6,000 metric tons to 8,400 metric tons in 2009. The price was based on the subsidized rate for the poor people of India which

was 55% to 60% less than the price in India and was sold between Nu. 452 to Nu. 504. However, it was suspected that the distributing agencies in Bhutan were misusing the quota and engaging in black marketing.

Similarly, kerosene oil was imported to Bhutan through subsidy assistance of the Indian Government. But, distribution was not done according to the requirement of the locality leading to deflections through illegal sale in the bordering areas. The annual allocation of kerosene oil quota was 15,000 kilolitres which was sold at the subsidized rate between Nu. 13.94 to 15.72 per litre. However, it was suspected that kerosene was sold back to the citizens of India through black marketing and not distributed properly to the people in Bhutan.

While the Bhutanese people greatly benefitted from the subsidized assistance of the Indian Government, the Economic Affairs Committee submitted that there was a need to establish policies and plans for distribution, administration and monitoring within the country. Distributors should be appointed not only in the regions, but in rural areas as well to ensure that the people got enough kerosene. The people would also greatly benefit if the coupon system for purchase of kerosene was stopped. Further, large commercial businesses should be encouraged to purchase commercial LPG cylinders.

The National Council deliberated on the shortage of LPG gas cylinders and kerosene oil on 9/6/2014 and 17/6/2014, and resolved as follows:

Acknowledging the importance of Liquefied Petroleum Gas (LPG) and Superior Kerosene Oil (SKO) as essential sources of fuel for growing number of Bhutanese

households and the need to ensure reliable and equitable access to all the people;

Appreciating the generous grant assistance of the Government of India to enable these two commodities to be accessed at subsidized rates by the Bhutanese people;

Recognizing the current challenges related to the import, distribution and pricing of the two commodities and the need to institute better mechanisms to improve distribution and access, especially to remote dzongkhags and rural areas.

The National Council, hereby, calls upon the Government to:

1. Urgently frame a policy for import, distribution and pricing of LPG and SKO in the country including, among others, the need to rationalize the dealer commission, address concerns pertaining to limited lifting capacity of the dealers and feasibility of appointing additional dealers and opening more outlets, especially in remote dzongkhags and rural areas;
2. Implement measures to ensure better access to subsidized commodities by intended beneficiaries through the speedy introduction of commercial cylinders (for large scale establishments and starred hotels) to improve circulation of subsidized LPG cylinders to households and to prevent hoarding;
3. Establish measures to monitor the distribution of subsidized LPG to households (for example, through link with Citizenship ID Card and household number) for benefit to be extended to all

Bhutanese people across the nation and to prevent hoarding;

4. Reduce procedures and steps for obtaining SKO coupons to make it less burdensome for people in the interior regions where deflection is not likely to occur; and
5. Continue to explore alternatives to reduce dependency on such imported energy as their prices are bound to rise with possible dismantling of subsidies in India and increase in transport costs.

Further, the National Council calls upon the Royal Audit Authority to conduct a Special Audit to:

1. Examine the possibility of illegal deflection of the two commodities across the border and also to address the grave concerns expressed by the Government of India in 2013, pertaining to “discrepancies” that exists in what is reflected as LPG and SKO exports on the Indian side and what is reflected as LPG and SKO imported and distributed on the Bhutanese side; and
2. Lastly, to ascertain the cause of large scale LPG data discrepancies seen in 2009 and 2010.

Voting details on the adoption of Recommendations on the shortage of Light Petroleum Gas Cylinders and Kerosene Oil

Date: 17/6/2014; Time: 11:518; Total Votes: 23; “YES”: 23; “NO”: 0; Abstain: 0

The following voted, “YES”:

1. Hon Tshering Dorji

2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Nima
5. Hon Pema Tenzin
6. Hon Sonam Wangchuk
7. Hon Sangay Khandu (Gasa)
8. Hon Sangay Khandu (Samtse)
9. Hon Rinzin Dorji
10. Hon Pema Dakpa
11. Hon Tashi Wangyal
12. Hon Dhan Bdr. Monger
13. Hon Tashi Phuntsho
14. Hon Jigme Wangchuk
15. Hon Tashi Wangmo
16. Hon Nima Gyaltshen
17. Hon Kaka Tshering
18. Hon Karma Damcho Nidup
19. Hon Sonam Dorji
20. Hon Tashi Dorji
21. Hon Jigmi Rinzin
22. Hon Kamal Bdr. Gurung
23. Hon Tharchen

*(Monday, 9th June 2014 corresponding to the 11th Day of the
4th Month of Wood Male Horse Year of the Bhutanese
Calendar)*

H. Any Other Business

1 Report on Review of Policy on Import of Second-Hand Electric Vehicles

The Deputy Chairperson of the National Council said that for improvement of the economy through environmental protection policies and reduction of import of vehicular fuel, the government had put in place policies for import of electric vehicles. On 10/3/2014, he reported that the government had approved the import of Nissan Leaf electric cars that

had been used in other countries and run less than 30,000 kilometers, as taxis in the country. Since this was in direct violation of the resolution of the 53rd Cabinet meeting held on 30/11/1999, as well as the provisions of Sections 45 (h) and 33.2 of the Bhutan Sales Tax, Excise and Customs Tax Act 2000, and Section 2 of the Import Rules, the import of such old vehicles could not be supported.

The import of such old vehicles would harm the environment in two different ways; one, by damaged batteries and second, by damage of the vehicle itself, which were in contradiction to the government's environment protection policy. Moreover, a recent bulletin of the Ministry of Economic Affairs mentioned that most of the imported vehicular fuel in the country was required for construction and transportation. Diesel was mostly imported for use by large vehicles. Therefore, the Deputy Chairperson said that the economy would not benefit by the government's initiative of reducing import of fuel through replacement of the currently petrol run taxis with old electric vehicles.

Going by the experiences of other countries, electric vehicles appeared beneficial in the beginning. However, the problems outweighed the benefits after one or two years. Besides the initial price for purchasing the vehicle, the unreasonably high cost to buy new battery to replace the expired one, long time taken to recharge the battery, reduced life of battery each year, and harm to the environment and problems created in the society from disposal of battery were reasons that made it unpopular. Therefore, the Deputy Chairperson said that the import of old electric vehicles into the country could not be supported as it was not useful and instead posed risks.

The National Council deliberated on the review of policy on import of second-hand electric cars on 9/6/2014 and 17/6/2014, and resolved as follows:

Respecting Article 5.2 of the Constitution of Bhutan, which states that the Royal Government shall:

- a) “Protect, conserve and improve the pristine environment and safeguard the biodiversity of the country;
- b) Prevent pollution and ecological degradation;
- c) Secure ecologically balanced sustainable development while promoting justifiable economic and social development; and
- d) Ensure a safe and healthy environment.”

Recalling the decision of the 53rd Coordination Meeting of the Council of Ministers to ban all second-hand vehicles regardless of its origin as early as November 30, 1999 with the intent to stop our country from being used as a dumping ground for second-hand vehicles;

Abiding by Section 45(h) of “Sales Tax, Customs and Excise Act 2000” which restricts the import of used or second-hand goods, vehicles, machinery and equipment into the country and Section 33.2 of Part II (Customs) of the Act that categorically disallow the sale or transfer to any Bhutanese or privileged person the second-hand vehicles of officials of Diplomatic Missions, international organizations and experts permitted to bring their car in the country for their use under the condition that such vehicles be re-exported upon his/her repatriation.

Further abiding by Section 2 of the “Rules and Procedures for Imports from Third Countries 2001,” that prohibits the import of second-hand or used vehicles in the country;

Acknowledging the Government’s main rationale to promote the use of electric vehicles was to continue the country’s policy of environmental conservation;

Recalling the past resolution of the National Council calling upon the government to consider providing affordable, reliable and efficient public transport (electric or non-electric) as one of the methods to address the growing concerns of traffic congestion and rising fuel imports; and

Foreseeing the uncertainty and uncalculated risk of converting second-hand Nissan Leaf vehicles as taxis which in a few years could create multiple problem in the disposal of both the car as well as the exhausted batteries;

The National Council, hereby, requests the Royal Government to:

- 1) Continue observing the ban on the import of secondhand vehicle including the import of some 40 second-hand electric cars (Nissan Leaf as reported in the media) as per the letter and intent of the provision of “Sales Tax, Customs and Excise Act 2000” and “Rules and Procedures for Imports from Third Countries 2001;”
- 2) Re-examine the government decision to facilitate and subsidize second- hand electric cars to be used as taxis in light of its efficiency, reliability and eco-friendliness; and

- 3) Place greater emphases on promoting efficient, affordable and reliable public transport (electric or non-electric).

Voting details on the adoption of Recommendations on the Import of Second-Hand Electric Vehicles

Date: 17/6/2014; Time: 11:51; Total Votes: 23; “YES”: 23; “NO”: 0; Abstain: 0

The following voted, “YES”:

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Nima
5. Hon Pema Tenzin
6. Hon Sonam Wangchuk
7. Hon Sangay Khandu (Gasa)
8. Hon Sangay Khandu (Samtse)
9. Hon Rinzin Dorji
10. Hon Pema Dakpa
11. Hon Tashi Wangyal
12. Hon Dhan Bdr. Monger
13. Hon Tashi Phuntsho
14. Hon Jigme Wangchuk
15. Hon Tashi Wangmo
16. Hon Nima Gyaltshen
17. Hon Kaka Tshering
18. Hon Karma Damcho Nidup
19. Hon Sonam Dorji
20. Hon Tashi Dorji
21. Hon Jigmi Rinzin
22. Hon Kamal Bdr. Gurung
23. Hon Tharchen

*(Thursday, 29th May 2014 corresponding to the 1st Day of the
4th Month of Wood Male Horse Year of the Bhutanese
Calendar)*

2 Obstructions faced by the National Council while carrying out its Parliamentary Mandates

While deliberating on the Right to Information Bill on 29/5/2014, the National Council also discussed on obstructions faced while carrying out its parliamentary functions and resolved as follows:

Respecting the sacred principles outlined in the Constitution of the Kingdom of Bhutan which mandates that “*Parliament shall ensure that the Government safeguards the interests of the nation and fulfils the aspirations of the people through public review of policies and issues, Bills and other legislation, and scrutiny of State functions*”;

Recognizing that parliamentary duties are conducted through its respective Committees, which are required to continuously and regularly liaise with the agencies and offices under the Executive, Constitutional Bodies and autonomous agencies, in accordance with the Rules of Procedure as provided for in the Constitution;

Acknowledging that the National Council Act 2008 empowers the Chairperson of the National Council to “*summon any person to attend the proceedings of the National Council for the purpose of giving evidence, provide information or produce documents in that person’s custody or control*”;

Further acknowledging that Section 39 of the National Council Act 2008 states that “*A member shall have the right to be provided with information by the Government*

and to inspect any official document on any matter of relevance in the exercise of his parliamentary mandates”;

Noting that the decision of the Committee of Secretaries requiring all requests from the National Council to be routed through the Cabinet Secretary constitutes a violation of the principles and provisions of the Constitution and the National Council Act;

Reminding that such a notification from the Cabinet Secretary directly contravenes Article 20, Section 8 of the Constitution which states that the “*Executive shall not issue any executive order, circular, rule or notification which is inconsistent with or shall have the effect of modifying, varying or superseding any provision of a law made by Parliament or a law in force*”;

Therefore, the National Council hereby:

1. Calls upon the Royal Government to immediately rescind any office order or notification that may have been issued by any person or institution under the Executive, including *the Lhengye Zhungtshog*, such as the decision of the Committee of Secretaries concerning the correspondences with the National Council that violates any provision of the Constitution or other laws.
2. Reminds the Royal Government that providing information and answers to the questions asked by the National Council is required by law.

Further,

1. Calls upon the Royal Civil Service Commission:

- a) To ensure that every civil servant performs his or her duties in accordance with the Civil Service Act 2010 which, according to Section 44 (c) requires a civil servant to “*uphold the Constitution of the Kingdom of Bhutan and other laws, rules and regulations*”; and
- b) Remind all civil servants that appearing before and providing information to the National Council is required by law.

Voting details on the adoption of Recommendations on the Obstructions faced by the National Council while carrying out its Parliamentary Mandates

Date: 29/5/2014; Time: 12:40; Total Votes: 23; “YES”: 23; “NO”: 0; Abstain: 0

The following voted, “YES”:

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Karma Damcho Nidup
5. Hon Tashi Wangmo
6. Hon Tashi Wangyal
7. Hon Nima
8. Hon Pema Tenzin
9. Hon Sangay Khandu (Gasa)
10. Hon Sonam Wangchuk
11. Hon Kaka Tshering
12. Hon Jigmi Rinzin
13. Hon Rinzin Dorji
14. Hon Jigme Wangchuk
15. Hon Sangay Khandu (Samtse)
16. Hon Dhan Bdr. Monger
17. Hon Tashi Phuntsho
18. Hon Kamal Bdr. Gurung
19. Hon Tashi Dorji
20. Hon Pema Dakpa

21. Hon Sonam Dorji
22. Hon Tempa Dorji
23. Hon Nima Gyaltshen

(Wednesday, 21st May 2014 corresponding to the 22nd Day of the 3rd Month of Wood Male Horse Year of the Bhutanese Calendar)

I. Proceedings of Question Time

1. Hon'ble Minister for Agriculture & Forest

The Hon'ble Member of Gasa Dzongkhag said that after the adoption of the Land Act 2007, communities had faced problems related to *Tsamdro* and *Sokshing*. The National Council, recognizing the problem had raised questions on the issue to the Hon'ble Minister during the 11th Session. While the Hon'ble Minister had not provided a direct answer, he said that the issue would be noted and looked into in future. Accordingly, the National Council had submitted a few recommendations on which he asked what the Ministry had done.

On this, the Hon'ble Minister said that as per the recommendations of the National Council, the Ministry had established a committee each for *Tsamdo* and *Sokshing* and prepared the first draft guidelines and regulations to address the problem. The plan was to thoroughly review and finalize these in June, and start implementation by July. For leasing the land in accordance with the provisions of the Land Act 2007, the Hon'ble Minister said that importance was being given to make the procedures clearer so that the problems faced in the communities were addressed.

*(Friday, 23rd May 2014 corresponding to the 24th Day of the
3rd Month of Wood Male Horse Year of the Bhutanese
Calendar)*

2. Hon'ble Minister for Finance

The Hon'ble Member of Gasa Dzongkhag said that the National Council had, during the 12th Session, asked the Ministry of Finance through a written question to provide information on supplementary funding and facilities, and the accounts on expenditure of in-country and ex-country travel of the Hon'ble Prime Minister and Ministers from 2008 to 2013. While information on issues related to supplementary funding was provided, that too late, the response stated that the expenditure of the ministers should be sought from the Royal Audit Authority. According to the Question Guidelines, the answers should be submitted within 10 days from the date of sending questions by the National Council.

The Hon'ble Member claimed that if the reasons for not being able to provide the answers on time and the need to ask the expenditure of ministers from the Royal Audit Authority had been given immediately, there would have been enough time to consult the Royal Audit Authority. Therefore, he asked the Hon'ble Minister to explain why it had taken such a long time to furnish the answers.

In response, the Hon'ble Minister for Finance said that the Ministry could not submit the answers on time mainly because the question had not reached the Ministry on time. On the expenditure of ministers, he said that the issue was discussed in the Cabinet after receiving the question where it was decided that the answer should be sought from the responsible institution, which was the Royal Audit Authority, as each government institution had its individual responsibilities and powers. Moreover, disclosure of

expenditure accounts would appear as if the present government was auditing the previous government and thus was likely to create misgivings. Therefore, he said that the Ministry was unable to furnish the details.

(Friday, 30th May 2014 corresponding to the 2nd Day of the 4th Month of Wood Male Horse Year of the Bhutanese Calendar)

3. Hon'ble Prime Minister

Hon'ble Karma Yezer Raydi pointed out that the government had established the Business Opportunity & Information Centre on 19th December 2013 by recruiting fresh employees who were non-civil servants. He asked what provisions of the law the government had based the establishment of the centre on, and what the possibilities were of harmonizing it if the establishment was unlawful. On this, the Hon'ble Prime Minister said that while there were no definite legal provisions allowing the establishment of the centre, there were also no legal provisions barring its establishment. Besides, it was in line with the establishment of about three agencies by the previous government. Furthermore, it was in accordance with the budget approved for the Economic Stimulus Plan passed during the 2nd Session of Parliament.

For democracy to function properly in the country, establishment of any agency and institution should be based on law. However, some members lamented that the establishment of the Business Opportunity & Information Centre was not in accordance with the Constitution and other relevant laws. Moreover, the level of salary for employees of the centre was very high. They asked what procedures were put in place for the centre to engage in financial activities.

In response, the Hon'ble Prime Minister reiterated that the centre was established as reported during the presentation of the Economic Stimulus Plan Report and explained that the funds would be kept with and managed by the Royal Monetary Authority for its implementation. While no law seemed to have been directly violated, he said that there was the possibility of cancelling the centre if its establishment was indeed found unlawful. To avoid such things from happening again in future, the Hon'ble Prime Minister agreed that the procedures shall be streamlined by the government.

(Wednesday, 4th June 2014 corresponding to the 6th Day of the 4th Month of Wood Male Horse Year of the Bhutanese Calendar)

4. Hon'ble Minister for Health

The Hon'ble Member of Gaspa Dzongkhag said that Bhutanese patients who could not be treated in hospitals within the country were sent for treatment outside the country based on the decision of a committee of medical experts. Besides, the management had also been sending patients for treatment outside the country disregarding the committee. In view of this, the National Council had asked for a detail list of patients referred abroad in the form of a written answer during its 12th Session. However, no answer had been provided. Therefore, he asked why the answer could not be furnished, and what sort of list was maintained for referrals by the administration.

On this, the Hon'ble Minister for Health clarified that the answer could not be submitted on time because information from the concerned office outside the country was not received on time. He also said that the information had to be segregated and routed through the Cabinet. Moreover, secrecy had to be maintained

with regard to the name of patients and their diseases in accordance with the provisions of the Act governing hospital patients.

In general, the Hon'ble Minister said that 4,628 patients had been sent for treatment outside the country from 2008 to 2013 at the cost of Nu. 12.2 million. Of these, 70 had been sent out by the management which accounted for 2% of the expenses incurred. The management had sent them on emergency grounds, such as patients with liver problems, students studying abroad and pilgrims.

Some of the members said that most of the patients sent outside were due to late diagnosis of diseases on which awareness had to be created. They enquired on what procedures there were in place for referring patients who could not be treated in a modern hospital to traditional hospitals before sending them outside the country. Likewise, they asked what procedures there were in place to treat the patients within the country without having to refer them outside. On this, the Hon'ble Minister said that the Ministry of Health had always been working on ways and means of referring patients to traditional hospitals and treatment within the country besides the continued awareness provided to the people.

(Wednesday, 18th June 2014 corresponding to the 21st Day of the 4th Month of Wood Male Horse Year of the Bhutanese Calendar)

5. Hon'ble Minister for Economic Affairs

The Hon'ble Member of Wangduephodrang Dzongkhag said that while the big hydro-power projects in the country had been hugely beneficial, the communities had also faced problems due to the use of explosives

during construction. For example, there was news that cracks had appeared on the Trongsa Dzong and residential houses of people under some gewogs in Wangduephodrang Dzongkhag due to the Mangdechhu Hydro-Power Project and Punatsangchhu Hydro-Power Project II, respectively. The Hon'ble Member asked what systems the government had in place to compensate the victims and what technological measures had been adopted to prevent such problems, henceforth.

In response, the Hon'ble Minister for Economic Affairs said that with regard to the cracks on Trongsa Dzong, experts from both outside and within the country had carried out three separate inspections and concluded that the cracks were not because of the Mangdechhu Project. However, the Project had kept aside budget for renovation of the Dzong considering its significance. Similarly, a team had carried out an inspection on the cracks on the residential houses of people in Wangduephodrang Dzongkhag and concluded that these were not caused by the Punatsangchhu Hydro-Power Project II. However, he said that a follow-up inspection would soon be carried out by establishing a team of which the members were not tied to the Project.

(Wednesday, 21st May 2014 corresponding to the 22nd Day of the 3rd Month of Wood Male Horse Year of the Bhutanese Calendar)

J. Closing Ceremony

1 Hon'ble Chairperson's Closing Address

While the Right to Information Bill and the Trade and Economic Cooperation Agreement between the Government of the Kingdom of Thailand and the Royal Government of Bhutan had been introduced during the 13th Session of the National Council by the relevant

Ministers, the Hon'ble Chairperson said that the Bill and the Agreement could not be deliberated upon since the concerned ministries did not provide presentations on the background and principles. He expressed hope that the problems would be resolved soon so that similar challenges did not arise in future.

Similarly, the Hon'ble Chairperson said that the National Council had received the Pay Revision Report along with a few recommendations after the National Assembly had deliberated and adopted it. However, this was not submitted as per the procedures for passing of a Bill but merely as a background for discussion. None-the-less, the National Council had deliberated on the report and submitted its recommendations to the Government and the National Assembly also as a background. But the National Assembly had treated the report like a Money Bill. To avoid similar problems in future, he said that the requirement of a Pay Revision Act needed to be studied.

For the National Council to carry out its functions properly in keeping with the mandates, the Hon'ble Chairperson said that not only should adequate budget be provided befitting the high institutional status, the authority to determine the Council's budget should also be vested in the institution, itself. However, the authority was presently vested in the National Assembly and Ministry of Finance just like the budget of other institutions, which created problems while upholding the mandate of the Council. Hence, he said that the matter warranted a thorough discussion.

Further, the Hon'ble Chairperson said that presentations had to be sought and consultation meetings held with different agencies shortly after the conclusion of the 13th Session in preparation for the 14th

Session. Therefore, the five Bills received from the National Assembly and other issues were assigned as under:

1. Local Government Entitlement Bill of Bhutan 2014 – Good Governance Committee;
2. Bio-safety Bill of Bhutan 2014 – Natural Resource and Environment Committee;
3. Tenancy (Amendment) Bill 2014 – Legislative Committee;
4. Parliamentary Entitlement (Amendment) Bill of Bhutan 2014 – House Committee;
5. Narcotic Drugs, Psychotropic Substances and Substance Abuse (Amendment) Bill 2014 – Social and Cultural Affairs Committee;
6. Trade and Economic Cooperation Agreement between the Government of the Kingdom of Thailand and the Royal Government of Bhutan – Economic Affairs Committee;
7. Re-deliberation on the Office of the Attorney General Bill 2014 – Legislative Committee;
8. Since amendment of the Election Act of Bhutan would probably be tabled during the winter session of the National Assembly, the Good Governance shall look at the possibility of discussing the amendment of the Public Election Fund Act during the winter session in line with the opinions submitted by the Dzongkhag Tshogdus;
9. Socio-economic and environmental benefits versus damages of mining and stone quarrying – The Special Committee that had been instituted shall look into this; and
10. Special Performance Audit Report on Public Debt – Economic Affairs Committee.

The Hon'ble Chairperson reminded that in addition to the above assigned Bills, the members should keep in mind the kind advice of His Majesty granted during the inauguration of the 3rd Session of Parliament and work for the benefit of the nation and the people. He said that arrangements should be made to conduct meetings beyond the session to discuss some of the issues that could not be taken up under 'Any Other Business' during the present session, as well as other important issues.

Lastly, the Hon'ble Chairperson thanked the employees of the Department of National Properties, security personnel, media, medical doctors and staff of the National Council Secretariat who were involved during the session, in particular, the Chairpersons and Members of the various Committees for their assistance and support towards making the session a success. He also offered his special gratitude to His Majesty the King and His Majesty the Fourth Druk Gyalpo for their continued advice, the two Chabjes and the upholders of the precious teachings of the Buddha for their prayers.

The 13th Session of the National Council concluded with *Tashi Moenlam* and prayers for the long lives of His Majesty the King, His Majesty the Fourth Druk Gyalpo, Royal Family and the upholders of the Precious Teachings of the Buddha.

(Sonam Kinga)

Chairperson

National Council of Bhutan