

PARLIAMENT OF BHUTAN



TWENTY-SEVENTH SESSION OF THE NATIONAL COUNCIL

PROCEEDINGS AND RESOLUTIONS

(16th Day of the 4th Month to 20th Day of the 5th Month of Iron
Female Ox Year corresponding to 27 May to 29 June 2021)

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PROCEEDINGS AND RESOLUTIONS OF THE TWENTY-SEVENTH SESSION OF THE NATIONAL COUNCIL

A. Opening Ceremony

Sitting 1 | Thursday, 27 May 2021

The 27th Session of the National Council, for the first time, was held in the new Session Hall with ceremonial proceedings coinciding with the auspicious occasion of the 16th Day of the Fourth Month of Iron Female Ox Year. The opening ceremony was graced by His Majesty the Druk Gyalpo, accompanied by Her Majesty the Gyaltsuen, Her Royal Highness Princess Euphelma Choden Wangchuk and His Royal Highness Prince Ugyen Jigme Wangchuck.

1. Opening Address of the Hon'ble Chairperson

Today, on this auspicious occasion of the 16th Day of the 4th Month of Female Iron Ox Year corresponding to 27 May 2021, the National Council conducts its 27th Session in this new Session Hall after completing the remodeling of the interior and exterior structure of the building recently. On behalf of all the Members and secretariat of the National Council, I would like to express heartfelt gratitude to His Majesty the Druk Gyapo, the guardian of all the people of Bhutan for gracing the ceremony of the first session in this hall.

Similarly, I would also like to extend heartfelt welcome to Her Majesty the Gyaltsuen, and the Royal Prince and Princess for accompanying His Majesty the Druk Gyalpo for the proceedings of the opening ceremony today.

Moreover, I would like to welcome the delegates attending the opening ceremony of the 27th session of the National Council - Lopens of the Monastic Body, Prime Minister, Chief Justice, Speaker, Opposition Leader, Foreign Dignitaries, Executive

Officials, all other dignitaries and Reporters of various media houses.

I would also like to thank all the people who could not physically attend the proceedings and following it through Bhutan Broadcasting Service and other social media platforms.

On this auspicious day, taking the precious opportunity in the presence of our lead jewel, His Majesty the Druk Gyalpo, I would like to remind all the people of Bhutan that our Kings of Bhutan are the prophetic reincarnations of the Bodhisattvas and Bhutan can be considered as heavenly abode, as experienced by ourselves and praised by others. Such expression can be proven by the fact that political transition in our country, unlike other countries, was imposed from the Golden Throne without protest and freedom struggles, and as against the will of our people.

Moreover, in order to lay strong foundation for the new democracy, independent institutions like legislature, executive, judiciary, and other constitutional offices were established, further providing them with adequate necessary provisions and human resources.

In line with the Royal Vision of instituting two well established Houses, His Majesty the Druk Gyalpo graciously granted the Royal Banquet Hall and its premises to the National Council as its infrastructure, which was earlier utilized for hosting most of the important events of the country.

In accordance with the Royal Advice, the Government has provided adequate budget to remodel the building of the Royal Banquet Hall to the grand session hall of the National Council. Upon completion of all the external designs and interior furnishings, and installation of sacred relics, the consecration ceremony for the new session hall was performed by Venerable Dorji Lopen of the Monastic Body coinciding with the

auspicious fifth day of the fourth month corresponding to 16 May 2021.

Today, in presence of the Bodhisattva King, I would like to submit few points on behalf of the people of Bhutan, twenty Member Representatives of the people of twenty Dzongkhags, and five Eminent Members.

Thirteen years ago in 2008, when His Majesty ascended the Golden Throne as the Fifth Druk Gyalpo, and subsequent to the coronation ceremony held in the two historic Dzongs, while celebrating with the people of Bhutan at Changlimithang, His Majesty the Druk Gyalpo made a profound coronation speech: *“Throughout my reign, I will never rule you as a King. I will protect you as a parent, care for you as a brother and serve you as a son”*. As we look back, His Majesty the Druk Gyalpo has indubitably lived up to what has been promised to his people back then and even beyond more than what was declared.

Since the outbreak of COVID-19 about two and half years ago, millions and millions of human lives have been lost to the pandemic across the globe. Although concerned by the pandemic, His Majesty the Druk Gyalpo, being the embodiment of Bodhisattva could gather all the courage and determination and strictly commanded the Government and relevant institutions that no single life of Bhutanese shall be lost to the pandemic. His Majesty the Druk Gyalpo, with all his compassion, has made selfless sacrifices, leaving behind the Royal Family and comforts of the palace, constantly travelling the painful and tiring journey across every nook and corner including all the risk-prone border areas of the country to ensure that all the people of this country are safe with their families.

His Majesty the Druk Gyalpo has even sacrificed the joyful and happy moments for the birth of His Royal Highness the Second Gyalsey and has personally monitored various plans and

activities put in place to protect the people from the pandemic. This has been witnessed not only by the people of Bhutan but also by the people of other countries as observed through international news and social media outlets.

To ensure that the life of every Bhutanese is protected from the pandemic, we have seen His Majesty the Druk Gyalpo, with all the concern, carrying a simple packed meal of an ordinary person and eating in a solitary environment. Likewise, His Majesty the Druk Gyalpo, without any rest, has travelled day and night to high-risk areas on foot to ensure that no Bhutanese life is affected by the pandemic. For that, I, on behalf of all the people of Bhutan, would like to express our sincere gratitude to His Majesty the Druk Gyalpo.

His Majesty the Druk Gyalpo has been shouldering all the responsibilities of maintaining peace and stability at the border areas with active presence, and ensured the well-being of the country. Moreover, those Bhutanese within and abroad who lost their jobs due to the pandemic are provided with monthly remuneration. For those people engaged in private businesses, loan payments have been deferred and interests for loans are granted as *kidu* from the fund collected for the country's security so as to protect their businesses. It is with immense gratitude that His Majesty the Druk Gyalpo has ensured unadulterated peace for the people from all walks of life, protecting them from the consequences of the pandemic.

If I may share humble information to His Majesty the Druk Gyalpo and other delegates, the 27th session of the National Council, which commence from today will deliberate on six legislative issues, four issues related to policy review, and the Joint Sitting of the Parliament will discuss and deliberate on three issues.

Finally, I would like to take this opportunity to pay my sincere gratitude to His Majesty the Fourth Druk Gyalpo, and to the

Royal Families, for being His Majesty's representatives in rendering their noble services for the security and welfare of the people of Bhutan.

Similarly, I would like to pay gratitude to His Holiness the Jekhenpo, monks of the monastic body, and lams and truelkus of various religious institutions for conducting prayers and religious ceremonies specifically to avert undesirable ramifications of the pandemic.

Further, on behalf of the people of Bhutan, I would like to express indebtedness to His Majesty the Druk Gyalpo and frontline workers of the COVID-19 pandemic such as health workers, armed forces, desuups, and all other volunteers who have come forward to render their services or to make contributions.

Lastly, with the blessings and protection of the guardian deities, I would like to pray for the successful completion of the 27th Session of the National Council and all the subsequent sessions in the new National Council Hall without any obstacles, in the interest of the country and the people of Bhutan, as envisioned by His Majesty the Druk Gyalpo.

The Opening Session is adjourned. Thank You.

B. Implementation Reports on the Resolutions of the 26th Session

1. Follow-up Report on the Recommendations of Renewable Natural Resources (RNR) Marketing Policy

Sitting 2 | Friday, 28 May 2021

The Natural Resources and Environment Committee presented the follow-up report on the recommendations passed by the House on RNR Marketing Policy in the 26th Session as per **ANNEXURE I**.

The National Council initiated reviewing the policy in the 24th Session with the objective to resolve marketing issues and to have a comprehensive understanding of the RNR Marketing Policy, implementation status, and its effectiveness. The House, after considerable debate on the review report of the committee on RNR Marketing Policy in the 26th Session, passed a total of five recommendations - four recommendations to the Ministry of Agriculture and Forests, and one recommendation to the Ministry of Finance for implementation.

The recommendations were: (1) making the Multi-Sectoral Committee functional; (2) establishing adequate marketing infrastructure; (3) enhancing collaboration amongst the relevant stakeholders and implementing the findings of market studies; (4) disseminating market information effectively; and (5) expediting CSI loan approval.

Some of the Hon'ble Members expressed their dissatisfaction with the Government's response on recommendations (1), (3) and (5). On the response received on recommendation (1), Hon'ble Members raised that considering the current pandemic situation and the interest shown by farmers to grow more, the meeting of the Multi-Sectoral Committee should be conducted once in every month rather than a quarterly meeting.

Not convinced by the response on recommendation (3), Hon'ble Members proposed that the Government and the relevant ministry should focus on solving the issue of the stranded problem of fresh produce export thoroughly by changing policies and regulations rather than focusing on a short-term solution to a problem.

Expressing their discontent on the response on recommendation (5), Hon'ble Members reported that although micro loans are provided within 10 days and other loans within 21 days as per the CSI bank, only around 10 per cent of borrowers might have been benefited until this time and around 90 per cent of the applicants are still struggling to get their loans on time due to lengthy procedures involved in availing CSI loans.

1.1. Adoption of Resolutions on the Follow-up Report of the RNR Marketing Policy

Upon thoroughly deliberating on the implementation report on the recommendations on RNR Marketing Policy on 28 May 2021, the National Council resolved to seek further actions to be taken against some of the recommendations passed by the House. The House unanimously adopted the resolutions recommended by the committee on 18 June 2021 with all the twenty-two Hon'ble Members present and voting in favour of the resolutions. The resolutions will be submitted to the Government as follows:

Resolutions on Follow-up Report of RNR Marketing Policy

The National Council,

Acknowledging that the Renewal Natural Resources are important for enhancing food security and improvement of livelihood;

Unsatisfied with the response received from the Government on the recommendations on RNR Marketing Policy No. 1 & 3;

Upholding the earlier recommendations of the 26th Session of National Council.

Hereby, reiterate the attention of the Government to:

1. Coordinate and conduct Multi-Sectoral Committee meeting as mandated by Terms of Reference, and
2. Study comprehensive marketing opportunity of Cardamom in third countries and explore suitable variety to introduce in the country that have market value.

2. Follow-up Report on the Recommendations on Annual Anti-Corruption Commission (ACC) Report 2019

The National Council, after in-depth discussions on the Review Report of the Annual ACC Report 2019 presented by the Good Governance Committee, passed seven recommendations to the Anti-Corruption Commission during the 26th Session. However, the commission has informed the House that the response for recommendations on Annual ACC Report 2019 will be submitted along with the Annual ACC Report 2020 in the winter session.

C. Policy Review Issues

1. Interim Review Report on the State Owned Enterprises

Sitting 7 | Monday, 7 June 2021

The chairperson of the Natural Resources and Environment Committee presented an Interim Review Report on the State-Owned Enterprises (SOEs) under the Ministry of Finance (MoF) to the House. The objectives of the review were to understand the profile, sustainability, impacts and challenges of SOEs for effective and efficient service delivery.

Issues concerning SOEs were first identified during the Retreat Workshop “*Developing a Strategic Roadmap for the 3rd National Council (2018-2023)*” held from 29-31 July 2018 at Paro, and later highlighted again during the Review Workshop of the National Council held from 12-13 April 2021 at Thimphu. The committee was tasked to conduct review and present the recommendations to the House for deliberation.

The committee reported that there are 38 SOEs in the country playing a strategic role towards socio-economic development: 16 SOEs under the MoF (2 under Queen's Project), and 22 under Druk Holding and Investments. SOEs under MoF are further grouped into 5 categories - Manufacturing, Trading, Services, Financial Services and Others as per the committee.

The committee presented the sustainability, impact, and challenges of the SOEs. Sustainability of SOEs was evaluated by discussing their performances in terms of the financial performance and social and environmental performances of three years (2017-2019) while the impact of SOEs has been studied in terms of employment and major initiatives undertaken by their portfolio Ministries.

The committee underlined that the SOEs contributed taxes and dividends of Nu. 245 million to the Government in 2017 and

Nu. 297 million in 2018, but decreased to Nu. 176 million in 2019. On the other hand, the subsidies to SOEs have seen an increasing trend during the reported period. It was reported that the employment trend of the SOEs was decreasing during the same period.

Subsequent to the presentation, Hon'ble Members provided various suggestions on the management of SOEs including ownership; segregating SOEs with commercial and social mandates; determining the reasons for the losses incurred by some enterprises; ensuring the establishment of the SOEs is not politically motivated; and reviewing and evaluating SOEs at regular intervals, amongst others.

The committee will take note of all the suggestions and recommendations of the Hon'ble Members while conducting further review in order to present the final report in the 28th Session of the National Council.

2. Interim Review Report on the Suicide and Mental Health Issues in Bhutan

Sitting 14 | Thursday, 17 June 2021

The chairperson of the Social and Cultural Affairs Committee presented the Interim Review Report on Suicide and Mental Health Issues in Bhutan. Besides the desk research, the committee consulted the representatives from the Department of Public Health under the Ministry of Health and the National COVID-19 Mental Health Program Response Team to review the issues with the following objectives:

1. To assess the situation of suicide and mental health issues in Bhutan;
2. To ascertain root cause of suicide and mental health issues;
3. To conduct consultation meetings and field visits to determine ground reality and intensity of the issues;

4. To create awareness amongst relevant stakeholders and the general population; and
5. To bring the issue to the notice of relevant agencies through policy review and submit recommendations to the Government.

The committee presented that the major risk factors for suicide include mental disorder, especially depression, and neurological disorders, cancer and HIV infection. The committee also highlighted that Bhutan was ranked 54th in the world in terms of deaths by suicides in 2018. It reported that from 2018-2020, a total of 283 Bhutanese took their own lives, with 95 suicide cases recorded in 2020 alone. Likewise, a total of 623 cases of mental disorders were recorded in 2020.

The committee reported that during 2018-20, Samtse Dzongkhag recorded the highest number of suicides (39), followed by Thimphu (36) and Sarpang (31) Dzongkhags. During 2015 - 2019, the highest number of mental illness recorded were anxiety (7,500), followed by mental disorders due to alcohol use (5,748), depression (3,377), psychosis (1,634) and mental disorders due to substance use (1,342).

The committee also emphasized the challenges of inadequate and weak policy or legislation overseeing the suicide and mental issues; limited budget and human resources; lack of communication and coordination amongst stakeholders; limited rehabilitation centers; lack of mental health literacy; and associated stigma and discrimination, that impede the prevention and treatment of suicide and mental health issues.

After the presentation, the House deliberated on the report and some of the Hon'ble Members provided suggestions and recommendations to improve the report further. The committee will continue with stakeholder consultations, desk review of available resources and field visits, if required, and present the final report during the 28th Session of the National Council.

3. Interim Review Report on the Quality of Farm Roads

Sitting 15 | Friday, 18 June 2021

The chairperson of the Good Governance Committee presented the Interim Review Report on the Quality of Farm Roads. The objectives of the review were to assess the current situation of the farm road, identify challenges and issues faced in the construction and maintenance of quality farm roads, and provide recommendations to improve rural livelihood through sustainable and optimal utilization of public resources.

The committee chairperson reported that farm roads are crucial public asset, which contributes to socio-economic development. He said that they are vital in providing access to employment, social, health, and education besides curbing poverty and enhancing regionally balanced development.

The committee's report highlighted the budget allocated for constructing new farm roads and GC roads (Nu. 1050 million) and maintenance works (Nu. 4000 million). It stated that currently, 2,232 farm roads are measuring 9882.728 kilometers across the country. To improve the quality of farm roads, the Government has allocated a budget for the provision of Granular Sub Base (GSB) for all the farm roads.

As per the report, in Phase I, one farm road each per Gewog was prioritized based on resource availability (priority as identified by the LGs) and provided with the budget of Nu. 1.66 million per km for GSB and Drainage. With the resource fully mobilized for the ongoing Phase I (Nu. 2.6 billion) and Nu. 1.5 billion for Phase II, there is a total resource gap of approx. Nu. 12.34 billion which will be explored through external financing or RGoB funding/borrowing.

The committee chairperson pointed out that while the farm roads have benefitted the rural population through enhanced

livelihood, it has also resulted in deforestation, habitat fragmentation, and interruption in natural ecological flows. Issues related to substandard roads are being surfaced repeatedly both in studies conducted by independent institutions as well as practical realities on the ground.

The report underlined that Guidelines for Farm Road Development 2013 were developed to sustain rural livelihood and assist farmers and relevant stakeholders in implementing farm road plans and programmes. The guidelines were further revised in 2019 with an improved screening criteria, planning and budgeting, construction responsibilities, and supervision to accommodate emerging challenges of farm roads. However, it was being reported that the objectives of the revised guidelines are yet to be fully materialized.

With the help of desk review, field surveys, and consultative meetings with stakeholders, the committee proposed to review the following areas:

1. Quality vs. Quantity of farm roads
 - Budget allocation (source of funding/budget for permanent structures) and eligibility of farm roads
 - Permanent Structures along the farm roads
 - Environmental, Social, and Economic impact
2. Implementation status of Farm Road Guidelines
 - Coordination between central agencies and LGs
 - Human Resource Capacity (distribution of human resources across agencies)

During the deliberation on 18 June 2021, some of the Hon'ble Members raised their concerns pertaining to the monitoring and evaluation of ground works; reprioritization of road maintenances; road right of way and ownership; safe drinking water sources; and the lapses behind unusable roads. The committee will look into the concerns while reviewing the issue further to present the final report in the next session.

D. Legislative Issues

1. Introduction of the Agreement between the Government of the Kingdom of Bhutan and Green Climate Fund on the Privileges and Immunities (P&I) of the Green Climate Fund (GCF)

Sitting 3 | Monday, 31 May 2021

The Hon'ble Minister for Finance introduced the Agreement between the Government of the Kingdom of Bhutan and Green Climate Fund on the Privileges and Immunities of the Green Climate Fund to the House. The Agreement, signed on 12 November 2020, was passed by the National Assembly during the Fourth Session of the Third Parliament and forwarded to the National Council for deliberation. The Green Climate Fund was instituted within the framework of the United Nations Framework Convention on Climate Change in 2010 to support the efforts of developing countries in responding to the impacts of climate change.

The Hon'ble Minister informed the House that the Fund is an opportunity for Bhutan to avail sustained grant for the execution of developmental projects, and it is essential to provide the Privileges and Immunities to the Fund for the smooth implementation of the projects. So far, the GCF has approved seven projects worth USD 56.86 million and in addition, six projects amounting to USD 95.00 million are in the pipeline for Bhutan. The current projects through GCF were focused on climate adaptations and mitigations, early warning system management, and improving the water and irrigation system.

The Agreement ensures Bhutan's uniform management and administrative system keeping in line with RGoB's grant of Privilege and Immunities to UN Agencies through Article 105 of the UN Charter of the United Nations. On similar ground, 27

countries, excluding Bhutan, as of 31 December, 2020 have granted P&I to GCF.

The Hon'ble Minister said that the immediate benefit of granting the privileges and immunities to the GCF was receiving 100 percent of the fund. When the GCF was routed through an organisation such as the World Bank or the United Nations, service fees (two or five percent of the fund) was deducted.

The other benefits of the Agreement was its subsidy and low-interest concessional loans option. The Hon'ble Minister reported that although investment in the private sector had decreased in the current situation, however, as the Covid-19 situation improves, it is likely that the financial institutions' reserve would not be sufficient because of the increase in the number of private sectors seeking loans. He said that the GCF's low-interest concessional loans could enable the financial institutions to give loans at lower interest to their clients. For that matter, the financial institutions accredited to access GCF private sector loan facility for private sector investment and development were the Bank of Bhutan, Bhutan National Bank, and Bhutan Development Bank.

Following the introduction, the House asked several questions pertaining to the Agreement. Hon'ble Member of Gasa asked the need of such privileges and immunities to other international agreements such as GEF, Adaptation Fund, and Climate Investment Fund; and likelihood of reducing economic inequalities between haves and have-nots by identifying the Banks in spite of Small and Medium Enterprises as Direct Access Entities in accessing concessional loans from GCF for the private sectors.

Hon'ble Member of Sarpang questioned on the Government's plans for the repayment of loans obtained upon providing P&I to GCF. Eminent Member Tashi Wangmo asked whether each

of the thirteen projects (seven approved and six in pipeline) under the GCF were approved as grant, subsidy, or concessional borrowings.

Hon'ble Member of Trongsa sought clarification on how the Agreements are negotiated by the Government; whether the parliament has the privilege to amend the original texts of the Agreement besides the changes to Dzongkha texts; and the capacity development plans for the institutions accredited to GCF. He also suggested the Gross National Happiness Commission to align the activities of the next Five Year Plan to GCF projects, particularly on farm road maintenance, as a solution to environmental degradation.

Hon'ble Member of Trashigang expressed whether the grants can be disbursed on time after the projects are planned in the light of the current economic situation across the world due to the pandemic; and the Governments strategies to achieve the plans given the shortage of resources in the current situation since the grants would be refunded to GCF if not utilized on time, impacting the climate actions and environment conservations.

Hon'ble Member of Haa asked if the due procedure of preparing the Preliminary and the Final National Interest Analysis has been followed as per the Rules of Procedure for Treaty Making 2016 before the decisions taken by the Lhengye Zhungtshog to enter into the Agreement and the National Assembly to ratify the Agreement. He also expressed his concern over the amendment of Chapter II (31) of the Rules of Procedure for Treaty Making during the 86th Session of the Cabinet: *“All International Conventions, Covenants, Treaties, Protocols and Agreements will require ratification by Parliament, if it; (1) Is of legislative nature or modifies domestic laws; (2) Burden the State or people with significant financial obligations; (3) Affect*

the security and sovereignty of the country; or (4) Changes the territorial boundary of the Kingdom of Bhutan”.

He said that the amendment contradicts Article 10 (25) of the Constitution: *“Except for existing International Conventions, Covenants, Treaties, Protocols and Agreements entered into by Bhutan, which shall continue in force subject to section 10 of Article 1, all International Conventions, Covenants, Treaties, Protocols and Agreements duly acceded to by the Government hereafter, shall be deemed to be the law of the Kingdom only upon ratification by Parliament unless it is inconsistent with this Constitution.”*

Hon’ble Member of Chukha questioned on the additional measures the Government has discussed on Section 2, Article 13 of the Agreement: *“If the Government and the Fund are unable to resolve a Dispute through mutual consultation within ninety (90) days, each Party may request that such Dispute shall be settled by arbitration in accordance with the Permanent Court of Arbitration (PCA) Rules 2012”*. He expressed that under unfortunate circumstances, it would be challenging for Bhutan to appear before the international court of justice at The Hague, the Netherlands given the size of her population and resources.

In response to the questions, the Hon’ble Minister clarified that upon receiving the GCF Agreement around four years ago, the Government has conducted thorough study and decided to grant P&I to GCF since Bhutan’s Five Year Plans, and the long-term developmental plans and policies are similar to GCF’s, and the Agreement is expected to benefit the country greatly. He added that while the grants allocated from GEF for the population of 7,00,000 is only USD 6 million, GCF, since it’s implementation, has already approved grants of USD 56.86 million for the projects at hand and USD 95.00 million for the projects in pipeline.

The Hon'ble Minister informed that GCF Readiness Support of USD 0.400 million will provide capacity building support to National Designated Authority and accredited institutions. He said that the banks have been accredited upon fulfilling certain requirements for accreditation to GCF and moreover, the SMEs does not encompasses all the private sectors in the country.

The Hon'ble Minister explained that the concessional loan availed from GCF will be the part of external commercial borrowings and will not have implications on debt stock of the Government. He reported that the approved grant of about USD 6 million has been allocated for slope stabilization for maintenance of farm roads and the current projects prioritized through the GCF grants are climate adaptations and mitigations, early warning management system, and improving the water and irrigation system.

Hon'ble Minister said that so far, all the grants and loans availed have been utilized as per the objectives of the treaties signed and Bhutan has no record of misusing the funds until today. He added that almost 90% of the funds are allocated for the projects under the Ministry of Agriculture and Forests and there are already adequate human resources with expertise in the field, which is also the same in the case of National Environment Commission for the climate change mitigation projects. He stated that the Government is hopeful for the constant supports for the Fund after the United States rejoined the Paris Agreement and committed for global action plan to fight climate change as per the resolutions of COP 21.

The Hon'ble Minister clarified that National Interest Analysis had not been prepared for discussion in 2019 but the Agreement was approved based on review done by the Office of the Attorney General, and financial analysis conducted by the Ministry of Finance as required by GCF. He added that as the National Designated Authority (NDA) to GCF, Gross National

Happiness Commission Secretariat conducted the assessment on human resources requirement and the project locations. He said that the response on amendment of Chapter II (31) of the Rules of Procedure for Treaty Making in contradiction to Article 10 (25) of the Constitution will be submitted in written upon conducting a cabinet meeting.

The Hon'ble Minister highlighted that the main objective behind deciding to grant P&I to GCF is to facilitate the movement of officials and experts of GCF in and out of the country since Bhutan, as a developing country, and given the size of the population has better appropriation of Fund for the projects. He informed that there has been no record of disputes arose from signing the treaties although every treaty has clauses with the procedures to settle disputes that may arise, and assured that while there may be some concerns over the loans availed, grants approved by GCF would not be subject to any disputes.

1.1. Ratification of the Agreement between the Government of the Kingdom of Bhutan and Green Climate Fund on the Privileges and Immunities of the Green Climate Fund

The Natural Resources and Environment Committee reviewed the Agreement between the Government of the Kingdom of Bhutan and the Green Climate Fund on the Privileges and Immunities of the Green Climate, and tabled the report along with the general recommendations, and minor changes in Dzongkha text of the Agreement. The National Council extensively deliberated on each of the 14 Articles of the Agreement and the review report of the committee on 31 May 2021.

The House unanimously ratified the Agreement on 9 June 2021 with all the twenty-four Hon'ble Members present and voting in favour of the recommendations and minor changes to

the Dzongkha text of the Agreement. The recommendations, and corrections made to the Dzongkha text of the Agreement will be forwarded to the National Assembly for re-deliberation as follows:

Resolutions on the Agreement between the Government of the Kingdom of Bhutan and the Green Climate Fund on the Privileges and Immunities of the Green Climate Fund

The National Council,

Acknowledging that the Green Climate Fund is an important funding source for carrying out projects and programs related to climate change adaptation and mitigation;

Upholding Article 10, Section 25 of the Constitution of the Kingdom of Bhutan that states, “*Except for existing International Conventions, Covenants, Treaties, Protocols and Agreements entered into by Bhutan, which shall continue in force subject to section 10 of Article 1, all International Conventions, Covenants, Treaties, Protocols and Agreements duly acceded to by the Government hereafter, shall be deemed to be the law of the Kingdom only upon ratification by Parliament unless it is inconsistent with this Constitution.*”; and

Further, Upholding Section 36 of the Rules of Procedure for Treaty Making 2016 states,

“The Lhengye Zhungtshog shall submit the signed treaty to Parliament along with the Dzongkha text and the Final National Interest Analysis.”

Hereby, calls the attention of the Government on the following:

1. In order to avoid ambiguity of *Sections 1 and 2 of Article 14* of this Agreement, any amendment has to be guided by *Article 10, Section 25* of the Constitution of the Kingdom of Bhutan; and

2. In order to facilitate smooth passing in the Parliament, all International Conventions, Covenants, Treaties, Protocols, and Agreements will have to adhere to *Section 36* of the Rules of Procedure for Treaty Making 2016.

2. Introduction of the Civil Society Organizations (Amendment) Bill of Bhutan 2021

Sitting 4 | Tuesday, 1 June 2021

The chairperson of the Legislative Committee presented the Civil Society Organizations (Amendment) Bill of Bhutan 2021. After identifying the issue during the Retreat Workshop in July 2018, the House, during the Reflection Workshop in July 2019, decided to review the operations of Civil Society Organizations (CSOs) in the country including the provisions of the CSO Act 2007 and its Rules and Regulations. Further, during the Review Workshop in April 2021, the committee was tasked to continue the review of issues related to CSOs and table the Bill in the 27th Session for deliberation.

The review was intended to study various issues and concerns related to the operation of CSOs (both formal and informal) as well as challenges faced by the CSOs in the country including that of resident foreign CSOs. The review was expected to ultimately come up with appropriate recommendations to address issues, concerns and challenges.

The concept of CSOs and their operation in Bhutan, though informally, existed from ancestral times. Recognizing CSOs as an integral entity in a democratic setup and in preparation towards the transition to parliamentary democracy, our visionary monarchs through their unmatched wisdom, guided and conferred the legal platform for CSOs with the enactment of Civil Society Organization Act of Bhutan in 2007.

Subsequent to the enactment of the CSO Act in 2007, the Civil Society Organization Authority (CSOA) was established in 2009

as a regulatory agency. The establishment of the CSOA Secretariat was spearheaded by the Ministry of Home and Cultural Affairs under the directives from the Royal Government of Bhutan.

The purposes of Civil Society Organization (Amendment) Bill of Bhutan 2021 as reported by the committee are:

1. Provide adequate human resource and financial provision for the efficient functioning of the office of Authority;
2. Strengthen the composition of the CSO Authority;
3. Incorporate the provision to comply as stated by the Anti-money Laundering and Counter Financing Terrorism Act 2018;
4. Elevate the head of CSO Office to the Executive Level;
5. All registered CSOs to submit accounts, reports and returns;
6. Offence of illegal fund raising will be liable for value-based sentencing as per the Penal Code of Bhutan; and
7. To ease the registration process of CSOs' the office has to develop model Article of Association and Memorandum of Association.

2.1. Adoption of the Civil Society Organizations (Amendment) Bill of Bhutan 2021

The National Council deliberated on the Civil Society Organizations (Amendment) Bill of Bhutan 2021 at length on 1 June 2021. The House unanimously adopted the Bill on 17 June 2021 with all the twenty-one Hon'ble Members present and voting for the amendments proposed by the committee. The Bill will be forwarded to the National Assembly for deliberation as per **ANNEXURE II**.

3. Introduction of the Proposal for Enactment of Civil Liability Act/Torts Act

Sitting 6 | Friday, 4 June 2021

The deputy chairperson of the Legislative Committee presented the proposal for enactment of Civil Liability Act/Torts Act. He reported that over the years, and more particularly in the recent past, there have been many unfortunate incidents of negligent deaths and grave injuries to victims as well as loss and damage of public property.

The committee's report stated that in 2013, health facilities across the country recorded 29,303 work-related injuries and trauma in the construction sector. There have also been cases of employment of minors in Drayangs under hazardous and exploitative conditions which pose grave risk to the life and health of the minors and Drayang employees.

Citing sixteen examples where mishaps occurred in the recent past, the deputy chairperson of the committee pointed out that despite many unfortunate accidents resulting in death, injury, and loss of public property, concerned parties in every occasion refused to take responsibility while relevant authorities failed to take necessary action against the tortfeasors.

The report highlighted that there is lack of or weak implementation and enforcement of the laws by the relevant agencies such as RBP, OAG and the Courts. The inaction on the part of the law enforcement agencies not only perpetuate complacency amongst citizens and tortfeasors, but also have the tendency to impede people's respect, trust and confidence in the legal system.

The report underlined that in addition to the criminal prosecution that may be initiated against those who have been negligent or failed in their duties, the victims also have the option to file a civil or tort suit to seek remedies for wrongful

death, injury or loss of property. However, it was argued that in the absence of a specific tort law, victims have not been able to seek remedies for the injury and loss suffered and in all cases, it is His Majesty the Druk Gyalpo's *Kidu* team who reach the victims to provide immediate *Kidu* in the form of cash and logistic support.

As per the report, unlike some of the countries, Bhutan has no specific tort legislation and the precedent system is still in its developing stage and few tort provisions scattered in few legislations are mostly concerned with the criminal prosecution and sentencing of the tortfeasor or defendant.

The deputy chairperson of the committee concluded that in addition to instituting and enhancing corrective and restorative justice for the victims in the country, this proposed legislation will bring about accountability in the system and imbibe a sense of responsibility amongst relevant/responsible individuals, officials, agencies, business entities, as well as citizens.

3.1. Adoption of the Proposal for Enactment of Civil Liability Act/Torts Act

The National Council held comprehensive deliberation on the proposal for Enactment of Civil Liability Act/Torts Act on 4 June 2021. The House unanimously adopted the proposal to enact Civil Liability/Torts Act along with the resolutions on 18 June 2021 with all the twenty-two Hon'ble Members present and voting in favour of the committee's proposals. While the House will table the new legislation in the upcoming sessions, the resolutions on implementation and enforcement of the relevant laws will be forwarded to the Government for necessary actions in the mean time as follows:

Resolutions for the Implementation of Laws

The National Council;

Upholding its mandates enshrined in the Constitution (Articles 10.2 and 11.2) and in the National Council Act of Bhutan 2008 (Chapter 2, sections 7 and 10) as a House of Review;

Deeply concerned by the numerous incidences of negligent deaths and grave injuries to victims as well as loss and damage to public properties due to preventable fires and other accidents;

Further concerned that there have also been many cases of employment of minors in Drayangs under hazardous and exploitative conditions, which pose grave risk to their lives and health, including Drayang employees;

Noting that these deaths, injuries and damage have resulted from poor or sub-standard quality of construction works carried by responsible individuals and their failure to eliminate health and safety risks at the workplaces;

Further noting that these deaths, injuries and damage are also partly due to failure on the part of the relevant Government agencies to carry out proper inspection in accordance with the applicable laws; and

Cognizant that the relevant law enforcement agencies have failed to strictly implement the criminal provisions or initiate criminal proceedings to hold responsible individuals/agencies /companies accountable for their wrongs despite the existence of relevant laws.

Hereby, calls upon the Government to:

1. strictly enforce the applicable laws such as the Bhutan Electricity Act, the Labour and Employment Act, the

Consumer Protection Act, etc. to avoid health and safety hazards to the general public; and

2. require the relevant law enforcement agencies to strictly implement the criminal provisions to hold the responsible individuals/agencies/companies accountable for the wrong committed.

4. Introduction of the Goods and Services Tax (Amendment) Bill of Bhutan 2021

Sitting 9 | Wednesday, 9 June 2021

The Hon'ble Minister for Finance presented the Goods and Services Tax (Amendment) Bill of Bhutan 2021 to the House. After enacting as Goods and Services Tax (GST) Act of Bhutan 2020 during the summer session of the Parliament in 2020, the Bill was to be implemented starting July 2021. However, the Hon'ble Minister, during the introduction of the Bill, explained that the rationale behind tabling the Bill again in the Parliament is mainly to propose deferring its implementation date. He said that with the deferment of the implementation, the enforcement date of chapter 7, 8, 9 and 10 of the GST Bill will also shift towards the 1st day of July 2022.

Apart from the deferment of the implementation date, the Hon'ble Minister mentioned that the Bill also has the insertion of missing Excise Equalization Tax rate, rectification of typo errors in Bhutan Trade Classification codes, and correction of commodity descriptions in the schedules.

The Hon'ble Minister outlined that the deferment of GST implementation date is proposed mainly due to challenges faced in development of Bhutan Integrated Taxation System (BITS), which is a critical IT infrastructure development for the implementation of GST.

Development of BITS solution for implementation of GST was awarded to Thimphu TechPark Limited with the objective of

local capacity building but due to COVID-19 pandemic, the TTPL officials involved from Armenia could not come to the country which, as a result, delayed the BITS project. He said that the taxpayer registration module are 99.5% complete as of now and GST Registration is expected to be completed by Aug 2021 and GST Return Filing to be completed by Dec 2021.

The Good Governance Committee tabled the review of the GST Bill for deliberation as directed by the House. The Hon'ble Members raised that some sections in the Bill were found to be already implemented while the Government is proposing for a deferment. They also reiterated on the recommendations of the 24th Session of the National Council, and expressed similar concerns over the legality of the commencement date, preparedness of the Government for immediate implementation, and the need to draw a clear distinction between a Money Bill and a Financial Bill.

4.1. Adoption of the Goods and Services Tax (Amendment) Bill of Bhutan 2021

The National Council thoroughly deliberated on the Goods and Services Tax (Amendment) Bill of Bhutan on 10 June 2021. The House unanimously adopted the Bill on 16 June 2021 with all the twenty Hon'ble Members present and voting in favour of the recommendation of the committee. The recommendation along with the justifications for objecting Section 3 of the Bill as endorsed by the House will be submitted to the National Assembly for re-deliberation as per **ANNEXURE III**.

5. Introduction of the Customs Duty Bill of Bhutan 2021

Sitting 9 | Wednesday, 9 June 2021

The Hon'ble Minister for Finance introduced the Customs Duty Bill of Bhutan 2021 to the House. He highlighted that the Bill contains provision to revise the Customs Duty (CD) on goods classified in Bhutan Trade Classification (BTC) to give effect in

particular, to simplify and rationalize the multiple CD rates into general goods, demerits goods, luxury goods and commodities used as a direct input in social sectors.

The Hon'ble Minister expressed that the current multiple CD rate structure has led to having different duty rates for similar products and thereby creating scope to misclassify under the lower rates. He further stated that the current tariff schedule (Customs Duty and Sales Tax) favours goods of Indian origin as CD is not levied on goods originating from India in accordance with the Bilateral Trade agreement between the Royal Government of Bhutan and the Government of India.

The expected outcomes of CD rates revision as mentioned were to:

- Increase the compliance from traders
- Minimize discriminatory application of CD rates and classification of goods by the customs officials;
- Enhance predictability and transparency to the traders in determining their tax liability; and
- Broaden the tax base with shift in preference from other countries.

The CD revision excludes demerit goods like vehicle (20%, 30%, 45%, 50% and 100%), tobacco (100%), liquor (100%) and luxury goods like gold (Nu. 500/10 gm) and silver (Nu. 20/10 gm). Similarly, socially beneficial commodities like pharmaceutical, agriculture, ICT equipment, mobile phone, telephone sets, energy and labour saving devices were still proposed under zero duty rate.

It was proposed that the CD rates be revised to 10% on all commodities (currently attracting 5%, 10%, 15%, 20%, 30%, 50% and 100%). The proposed duty rate of 10% was as per the lowest duty rate currently levied on the finished goods. In addition, commodities that are used as direct input in sectors like health, education and agriculture, energy saving devices

and hand tools for mechanization of the construction sector were proposed under zero duty rates.

Out of the 254 commodities proposed under zero duty rate, 69 codes were already aligned with the Goods and Service Tax (GST) Act's exempt list while 185 codes were aligned with the existing Fiscal Incentives (seeds, live fish, hand tools, stationery etc.).

The Hon'ble Minister reported that based on simulations carried out on trade data for the last ten years, the CD rates revision will likely have a negative revenue impact of Nu. 169 million. He added that while the revenue impact is expected to be negative particularly in the initial year, it is anticipated that additional revenue will also likely be generated on account of increased compliance and increased trade due to the downward revision of CD rates.

Following the introduction, the House expressed its concerns over the Government's decision to levy a uniform 10% customs duty on all goods imported from third countries stating that this might burden the foreign currency reserve and would ravage the local markets.

The Hon'ble Members said reducing CD rates will increase the import of goods which might result in a huge outflow of foreign currencies. They also shared that domestic firms and local industries would struggle to market their products having to compete with international products.

However, the Hon'ble Minister responded that the Foreign Exchange Rules and Regulations under the central bank will monitor foreign currency outflow and the local markets will instead thrive from the reduction in customs duty after the GST comes into force.

Presenting the review of Customs Duty Bill of Bhutan 2021, the chairperson of the Economic Affairs Committee reported that the major reasons for the CD revision seems to be to enhance compliance, reduce administrative burden for customs officials and provide transparency for traders.

While the committee appreciated the rationale for CD revision, it was also concerned about the impact of CD revision on the agriculture sector, small and medium enterprises, traditional handicraft industries, deflection of goods, convertible currency reserves, and the national revenue.

The committee recommended the National Assembly to revisit CD rates on the commodities under twelve chapters which include betel nuts, fruit juices, water, incense sticks, woven fabrics of silk, Yathra, Dralhams and Tshoglhams, Bhutanese jewellery, electric fence energizers, Dramnyens and Chiwangs, religious ritual items, and ivory items. It proposed retaining the existing CD rates on most of the items justifying that the revision could adversely impact the local markets.

Hon'ble Members expressed that reducing the CD on chemical fertilisers from the existing 20% to 0% would only affect the country's objective of being environmentally friendly. They also suggested to retain the original CD rate for wood-based furniture of 50% from the Government's proposal of 10%.

5.1. Adoption of the Customs Duty Bill of Bhutan 2021

The National Council extensively debated on the Customs Duty Bill of Bhutan 2021 on 10 and 11 June 2021. The House adopted the Bill on 16 June 2021 with eighteen votes in favour of the committee's recommendations on revised CD rates of the Government, and two abstentions out of twenty Hon'ble Members present and voting. The recommendations along with the rationale behind these proposals will be forwarded to the National Assembly for re-deliberation as per **ANNEXURE IV**.

6. Introduction of the National Budget for the Financial Year 2021-22

Sitting 12 | Tuesday, 15 June 2021

The Hon'ble Minister for Finance presented the National Budget Report for the Financial Year (FY) 2021-22 including Budget Appropriation Bill for the FY 2021-22, Supplementary Budget Appropriation Bill for the FY Year 2020-21 and Annual Financial Statement for the FY 2019-20 to the House.

The Hon'ble Minister informed the House that in order to respond to the challenges posed by the pandemic, the budget for the Financial Year 2021-22 has been formulated with the goal to ensure 'Sustained Economic Stability for a Resilient Recovery' underpinned by the following five broad objectives:

1. Maintaining Public Confidence,
2. Sustaining Economic Activities,
3. Transforming Health and Education System,
4. Leveraging on ICT and Innovation, and
5. Enabling Reform Initiatives.

The Hon'ble Minister reported that the Budget Appropriation for FY 2021-22 is for Nu. 80,483.150 million including repayment and on-lending, and Supplementary Budget Appropriation for FY 2020-21 is for Nu. 2,783.703 million. He also added that the total public debt stands at Nu. 224,909.609 million accounting for 120.5 percent of the GDP.

The Hon'ble Minister highlighted that in the year 2020, the economy of the country fell to -6.3 percent, inflation peaked to 8 percent in September before falling to 7.7 percent in December, and overall unemployment peaked at 5 percent. However, he added that the domestic revenue is estimated to grow by 7 percent during the FY 2021-22.

After the presentation, the Hon'ble Minister responded to questions pertaining to hydropower debt; frequent breakage of Unit 3 of Mangdechhu Hydropower Plant; incomplete developmental activities of the previous Financial Years; decreased budget appropriation for general public services; and the need for adequate budget for the effective implementation of New Normal Curriculum in the education sector, amongst others.

Presenting the observations on the budget report, the Economic Affairs Committee highlighted the concerns of current expenditure rising faster than domestic revenue; fiscal deficit exceeding the deficit projected for the fiscal year; and increasing trend of public debt including non-hydro debt. Some of the Hon'ble Members also recommended incorporating other relevant sectors and agencies into the social service sector besides Health and Education. The suggestion was mainly for the purpose of addressing social issues and allocating adequate budget accordingly; lowering and specifying the targeted Non-Performing Loan ratio under National Credit Guarantee Scheme from the current average ratio of 24 percent; and resolving issues related to road, RNR Sector and hydropower.

6.1. Adoption of the National Budget for the Financial Year 2021-22

After intense deliberation on the National Budget Report 2021-22 on 16 June 2021, the National Council unanimously adopted the Bills on 17 June 2021 with all the twenty-one Hon'ble Members present and voting in favour of four recommendations on the Budget Appropriation Bill for the FY 2021-22, and one recommendation on Supplementary Budget Appropriation Bill for the FY Year 2020-21. The recommendations on the Bills will be forwarded to the National Assembly for re-deliberation as per **ANNEXURE V**.

7. Introduction of the Tobacco Control (Amendment) Bill of Bhutan 2021

Sitting 16 | Monday, 28 June 2021

Introducing the Tobacco Control (Amendment) Bill 2021 to the House, the Hon'ble Minister for Economic Affairs submitted that the Bill was passed by the National Assembly as an urgent Bill following continuous smuggling of tobacco products through the country's porous southern border and associated threats of importing corona virus into the country. He added that although the Government facilitated access to tobacco and tobacco products through the Duty-Free Shops within the permissible quantity and type, such measures only provided access to a small section of the Bhutanese population.

Proposed by the Government, the amendment was aimed to reduce smuggling of tobacco and tobacco products and import of virus by repealing the ban on sale, distribution, possession, and transportation of tobacco and tobacco products in the country. The ban on cultivation, production and manufacture of tobacco in the country, however, was retained.

Followed by the introduction, the Hon'ble Minister responded to concerns and reservations pertaining to impact of amending the Bill on society and public health; preparedness of the Government to strictly monitor adherence to the tobacco legislations; and whether the change would curb smuggling and illegal border crossing, amongst others.

The chairperson of the Good Governance Committee tabled the review of the Bill for deliberation. In addition to the amendments of the National Assembly, the committee further recommended amending ten other provisions of the Bill which include Section 13, Section 14, Section 15, Section 17, Section 32 (1), Section 35 (a), Section 43 (1) (a), Section 43 (1) (c) , Section 43 (1) (e), and Section 47.

7.1. Adoption of the Tobacco Control (Amendment) Bill of Bhutan 2021

The National Council thoroughly deliberated on the Tobacco Control (Amendment) Bill of Bhutan 2021 on 28 June 2021. Accepting all the amendments of the National Assembly and endorsing all the recommendations on amending ten other provisions, the House adopted the Bill on 28 June 2021 with twenty-one votes in favour of the motion, one vote against it, and one abstention out of twenty-three Hon'ble Members present and voting. The Bill along with the proposed amendments of the House will be submitted to the National Assembly for re-deliberation as per **ANNEXURE VI**.

8. Introduction of the Tax Bill of Bhutan 2021

Sitting 16 | Monday, 28 June 2021

The Hon'ble Minister for Finance introduced the Tax Bill of Bhutan 2021 which seeks to do away with 100% sales tax on tobacco products. He reported that illegal sale of tobacco products in the black market at the time of the pandemic have been rampant in the country posing the risk of importation and transmission of COVID-19 from illegal smuggling of tobacco products and exchange of cash.

The Hon'ble Minister said that in keeping with the provision of the Tobacco Control Act, the Bhutan Duty Free Ltd. was authorized to operate tobacco outlets to facilitate importing tobacco for self-consumption in 2020. However, he said that tobacco products sold through the outlet attracts 100% sales tax as per prevailing tax laws, which has retained opportunities for individuals to continue indulge in illegal border crossing to smuggle tobacco products for high profit margins.

The Hon'ble Minister emphasized that in order to minimize the risk of importation of the highly contagious virus and to curb the black market, it has become urgent to revise the sales tax

on tobacco from 100% to 0% under Tax Bill 2021. He stated that the tax bill was submitted as an interim measure under exceptional circumstances with an expiry provision: *'The Tax bill shall expire with the implementation of the GST Act scheduled to roll out from July 2022.'* He also said that the downward revision of sales tax will make tobacco product easily available for self consumption at near market prices thereby eliminating any incentives for illicit trade and associated risks from illegal border crossing.

The Hon'ble Minister highlighted that although the proposed sales tax revision may undoubtedly draw criticism from various people and institutions who are genuinely concerned about the ill effects of tobacco, as the COVID-19 situation improves, the sales tax on tobacco will be revised accordingly. He concluded that the current sales tax revision will serve as one of the most important measures to prevent the spread of the virus through elimination of incentives to indulge in smuggling and illegal border crossing.

Following the introduction, the chairperson of the Economic Affairs Committee presented the review of the Tax Bill to the House for deliberation. Except for a minor correction of Dzongkha text in the proposed amendment of the National Assembly under Section 5, there were no other recommendations from the committee on the Bill.

8.1. Adoption of the Tax Bill of Bhutan 2021

The National Council thoroughly deliberated on the Tax Bill of Bhutan on 28 June 2021. The House endorsed all the amendments of the National Assembly and adopted the Bill on 28 June 2021 with twenty-one votes in favour of the motion, one vote against it, and one abstention out of twenty-three Hon'ble Members present and voting. The amendments to the Bill, passed by the National Assembly and accepted by the National Council are as stated in **ANNEXURE VII**.

E. Proceedings of the Question Time

1. Hon'ble Minister for Agriculture and Forests

Sitting 2 | Friday, 28 May 2021

Highlighting the background on the role of agriculture in Bhutan and its contribution to livelihood of the majority of Bhutanese population, and the unfortunate impact of COVID-19 pandemic on the agriculture sector, the Hon'ble Member of Trongsa Dzongkhag raised the following questions to the Hon'ble Minister for clarification:

1. How is the Ministry going to realign its objective and programs of the RNR sectors to offset the gaps created by the soaring COVID-19 pandemic distress?
2. With the COVID situation commercial farming in the agriculture produces are on rise, on the other hand people are facing marketing issues. What is the Government's intervention to address these issues?

In response to the questions, the Hon'ble Minister for Agriculture and Forests informed the House that various programs have been adjusted and key activities have been implemented to assure continuity for uninterrupted production, domestic marketing and increased export of RNR produces. He added that the current Government targets to promote commercial farming over the age-old method of subsistence farming with the objective to achieve food self-sufficiency and ensure agricultural sustainability. Accordingly, key activities of the Government that were implemented and are in pipeline are as follows:

- Cultivating the uncultivated and dry land areas and undertaking agriculture land development programs to enhance the land productivity and farm mechanization;
- Installing gabion net in addition to electric fencing to save the crops and livestock from wildlife;

- Promoting high value cash crops and supplying quality seedlings in order to sustain and improve the livelihood of farmers;
- Increasing investment in construction/renovation of irrigation channels and drinking water supply through Water Flagship Program with the support from Desuung;
- Producing organic manure within the country in partnership with the private enterprises and minimize the import of chemical fertilizers; and
- Constructing/renovating access roads for easy transportation of farm produce to the market and farm machineries to the agriculture land at cheaper rates.

The Hon'ble Minister clarified that with the Government's focus on promoting commercial farming, various activities have been taken up within the RNR sector in order to facilitate domestic marketing and increased export. He said that in conjunction to production support, post-harvest management production facilities like curing shed, value addition, cold stores and pack houses are also established in the strategic locations besides constructing roadside market sheds or renovating the old ones.

The Hon'ble Minister said that apart from linking farmers and farmers groups with viable markets, they are also linked with schools and other institutions in order to facilitate marketing in the domestic markets profitably. He added that the Government, through the support of various embassies abroad, plans to explore a wider range of international buyers in order to increase export of RNR produces at competitive prices.

Presenting the background study conducted by the committee and the concerned Hon'ble Members on issues pertaining to collection of cordyceps, Hon'ble Member of Gasa put forth the following questions to the Hon'ble Minister:

1. *Ophiocordyceps sinensis* for 2014 season, 5.1 clearly states that depending on the local situations, the area DFO/PM in consultation with the Gups may fix the start

- date for ophiocordyceps sinensis collection for each season. However, the start date for the collection of cordyceps in the permit is fixed uniformly and blatantly without taking consideration of the local condition.
2. Has the Government incorporated the possibility of extending the collection period considering the severity of climatic factors in the revised guidelines?
 3. How is the Government planning to promote sustainable harvesting of cordyceps and address the border demarcations issues between Gewogs at the inter-Dzongkhag level?

Responding to the questions, the Hon'ble Minister informed the House that the collection time and permit for cordyceps collection were not uniform across the growing areas because of the different growing times of the ophiocordyceps sinensis. The Local Government has the full authority to decide on the preparatory period, as they know the ground reality for the collection period, situation, and the background of the collectors. The minister also said that the ministry would approve the extension if they receive the resolution and proposal from Dzongkhag Tshogdus.

The Hon'ble Minister stated that earlier, the collection time was only for one month, including the travel time, but since 2013, the collection was allowed for one month, excluding the number of days of journey, to and from the collection site. In 2020, based on local weather conditions and considering the pandemic situation, the Government extended collection time by two weeks in addition to the previously allotted collection time of one month. He emphasized that the ministry would continue to support depending upon the climatic conditions in consultation with the Local Government leaders in the future.

On sustainable harvesting of cordyceps, the Hon'ble Minister mentioned that collection of cordyceps are limited to three

people per household and the collection period is restricted to one month to allow mature spores to germinate. He also pointed out that the ministry has no authority over the border demarcation issues but a consultation meeting with the National Land Commission is underway which will be informed to both the Houses once finalized.

2. Hon'ble Minister for Economic Affairs

Sitting 9 | Wednesday, 9 June 2021

Hon'ble Member of Dagana Dzongkhag raised the issue of land substitution or monetary compensation for those lands affected by the installation of power transmission lines from PHPA-I and PHPA-II. He stated that with the two transmission lines of 400 kV and 220 kV passing from Wangdue Phodrang to Lhamoidzingkha via Tsirang and Dagana, more than four million ngultrum has been paid to the people whose land falls under the tower construction as compensation. However, as there are no clear rules or guidelines for any sort of compensation (Cash or Land Substitution) for the land that falls under the right of way (RoW) of transmission lines, he said that people are facing numerous problems since they are neither allowed to construct any structure nor given with any compensation for the same.

With over 475 towers covering a distance of more than 187 kms from PHPA in Wangduephodrang to Lhamoidzingkha, the Hon'ble Member reported that the concern is genuine for those people whose land falls under the transmission lines. Therefore, the questions were asked on behalf of the House as follows:

1. What are the interventions undertaken by the Ministry in addressing issues related to right of way of transmission line?

2. What are the plans and strategies put in pipeline to overcome such issues in future?

The Hon'ble Minister for Economic Affairs acknowledged the actuality of such issues and responded that the land falling under the right of way (RoW) can be used for crop cultivation and any other activities provided that the minimum required clearance between the proposed activity and the lowermost conductor of the line is maintained for safety. As per the Safety Code 2008, the minimum approach distance is maintained as illustrated in the following table to ensure safety to working personnel near bare conductors for urban areas or inhabited areas with no tall vegetation cover.

Nominal Design Voltage (kV)	Minimum Approach Distance (metre)
400	8.3
220	5.5
132	4.2
66	2.8
33	2.1
11	1.5
0.4	0.5

Generally, in order to safeguard the safety of transmission and distribution lines and to prevent any untoward electrical hazards due to snapping of the conductor during heavy wind, rain and snow conditions; punctured/damaged insulators falling; lightning strike and electrical faults; bursting of cable; leakage current; step potential and touch potential arising during the line fault; forest fire due to trees falling on the transmission lines, etc., the minimum easement corridor "Right of Way" depending on voltage levels, as per the industrial standards, is required as illustrated in the following table:

Sl/No	Voltage level (kV)	Right of Way(metres)
1	400	52
2	220	35
3	132	27
4	66	18

The Hon'ble Minister informed that the construction of the transmission lines were executed as per relevant legislations including Bhutan Electricity Act 2001 and Land Act 2007 with due acquirement of No Objection Certificate (NOC) and forest clearances from relevant individuals and agencies.

As per the Electricity Act 2001, *“Once a right of way has been granted to a Licensee by the Authority, no person shall build any structures or do any activity on land within the proximity of the area covered under the right of way without the prior approval of the Authority.”* and *“Licensee shall observe the environmental guideline or regulation in force and must do as little damage as possible and must, if required, make full compensation to the owner of the land for any loss of income derived from such land or damage caused to the land.”*

In conjunction with the above, as per Land Act 2007, *“the minimum parcel of land that shall be registered in a Thram is 10 decimals. Therefore, the tower footing locations that occupy more than 10 decimal of land are permissible for land substitute/compensation. For tower footing that occupies less than 10 decimal lands has to settle with the cash compensation.”*

On 8 August 2013, the National Land Commission Secretariat (NLCS) issued a Notice that *“for rural private land falling under the transmission line, except inability of constructing the*

residential house(s), there is no affect for crop cultivation. Therefore, the private land falling under the transmission line shall not be entitled to the substitute land.”

The Hon'ble Minister reported that in line with the above legislations, in the case of tower footings, the affected landowners are compensated after Property Assessment and Valuation as per the prevailing rates notified by the Royal Government from time to time. For stringing of lines, he said that compensations are not made for the area falling under the strung lines except for the one-time compensation for direct damages to the property like the destruction of the crops or destruction of any existing structures within the property.

The Hon'ble Minister added that transmission lines are constructed as per the National Transmission Grid Master Plan (NTGMP), which has been prepared taking social and environmental considerations into account, and that the RoW requirement has been minimized as far as possible by adopting integrated transmission systems.

He further said that transmission lines are routed, to the extent practicably possible, to avoid constructing transmission towers on privately owned lands, and wherever unavoidable, the landowners are offered monetary compensation through the concerned Dzongkhag Administrations or land compensation, as per the Land Act.

Based on the standard survey alignment of the transmission lines, public consultation is carried out involving the local leaders and sector heads. Accordingly, the public consent is taken to locate the towers in the private land and string the transmission lines across their land and a NOC is obtained from the private individuals, which is a prerequisite for obtaining environmental clearance.

However, it has been reported that the issue arises when the landholding is distributed among the household members and the one who gets the land where overhead transmission lines are strung, normally submits an appeal at a later date for compensation, which is then taken up as per the norms of the Dzongkhags and the NLCS.

The Hon'ble Minister said that the corridor where the transmission lines traverse private lands in rural areas is not compensated since the land falling below the lines can be used for crop cultivation. However, he clarified that any damages to the crops during the construction are compensated at the Government rates. Therefore, it's reported that compensation for RoW (land falling under transmission lines) is not provided in the absence of necessary guidelines or other legal statutes and besides, it may also entail huge costs.

The Hon'ble Minister expressed that one of the main reasons for public concern is due to poor compensation rates as affected landowners are currently paid as per the Government approved rates which is significantly lower compared to the market rates. Therefore, he suggested that adopting a mechanism for revision of rates or other mechanisms to ensure fair compensation.

The way forward of the Government to resolve the issues as presented by the Hon'ble Minister were as follows:

- i. The Government is reviewing the Electricity Act to propose specific provisions on RoW in view of the lack of applicable rules and regulations especially when it comes to the transmission lines passing over private lands.
- ii. Recognizing the need to avoid inconveniencing private landowners to the extent possible, Clause 17.1 of the Sustainable Hydropower Development Policy (SHDP) 2021 requires the project developers, a corporate body established for construction and commission of a

- hydropower project, to consult with people before any infrastructure development such as transmission towers, and to use the land from the state reserve forest land to the extent possible.
- iii. The project developer will work out rehabilitation, resettlement *and Local Development Plan* of affected people *in consultation with the RGoB and local authorities*, which is expected to resolve the small landholding issues. The separate Rehabilitation and Resettlement guideline will be issued by the Nodal Agency in collaboration with the NLCS as per Clause 17.5 of SHDP 2021 to address all the social and environmental issues associated with the construction of hydropower and associated infrastructure including RoW issues for the transmission lines with practical mitigation measures including innovative mechanisms to render fair compensations.
 - iv. The Government is investing in alternative renewable energy.
 - v. With support from the Asian Development Bank, the Government would install solar plants in Bumthang and Wangdue since diversification of energy source is important.

In closing, the Hon'ble Minister underlined that the ambiguities pertaining to the RoW will be addressed through the formulation of requisite RoW guidelines and relevant regulations in consonance with Electricity Act, Land Act and SHDP 2021.

3. Hon'ble Minister for Education

Sitting 9 | Wednesday, 9 June 2021

In the Question Hour Session held with the Hon'ble Minister for Education, Eminent Member Kesang Chuki Dorjee, on behalf of the House, acknowledged the implementation of a new curriculum for classes PP-12th starting from March 2021.

She said that according to the Royal Education Council website, the New Normal Curriculum (NNC) is not just a mere response to the pandemic but also an attempt to transform education from the teaching of “what” to learning of “how” and “why” towards empowering learners with the transversal competencies and the 21st century skills to facilitate deep learning and preparing them to be lifelong learners.

However, the Eminent Member reported that three days into the academic session, there was already confusion among teachers as they were neither consulted nor given adequate orientation to the new curriculum according to the media reports. She added that although trainings were conducted online, due to lack of accessibility to internet facilities not all teachers could avail the training.

According to the Eminent Member, the NNC also requires the teachers and students to have more access to IT facilities to collect information online, but issues related to affordability and accessibility to such facilities have been a concern for students studying at schools located in far flung areas. She said that both students and parents reportedly are faced with difficulty in completing the assignments as they are required to go online to figure out how to solve the problems as their teachers cannot explain the process to them.

Against this backdrop, the Eminent Member asked the following questions on behalf of the House:

1. How did the Ministry decide to implement the new curriculum despite the lack of preparedness on the part of the teachers as well as lack of adequate IT facilities?; and
2. How does the Ministry plan to resolve these issues?

In response to the first question, the Hon’ble Minister said that in this troubled world, it is imperative to rethink and embrace

the new meaning and purpose of the school education and the philosophical assumptions to underpin the curriculum for the 21st century era. He mentioned that realizing the urgency for a curricular change, the erstwhile Royal Education Council (REC) pursued the recommendations of the historic National School Curriculum Conference (2016) with the review and revision of the school curricula for all grades and subjects towards transforming education to a competency based curricula.

The Hon'ble Minister submitted that against the backdrop of the COVID-19 pandemic, the Government further augmented the initiative to extend the Prioritized Curriculum as the NNC from the 2021 academic session. He added that in order to embrace the principles and philosophy of the 21st century, and align and incorporate the wisdom from the Royal Kasho in the school curricula, the new normal curriculum was conceptualized.

As per the Hon'ble Minister, though such a major change calls for a nationwide consultation and deliberations amongst professionals, owing to the COVID-19 pandemic safety protocols and the urgency to develop a new curriculum before schools open for 2021 academic session commences, the New Normal Curriculum Framework (NNCF) in all subjects for classes PP to 12 was developed solely in collaboration with the Ministry of Education, BCSEA and teachers from the nearby schools and institutions.

The Hon'ble Minister reported that NNC is an attempt to transform the education from the teaching of “what” to learning of “how”, which in other words, aspires for a curricular transformation from the “textbook and product based teaching”, predominantly “knowledge driven” to “open source and process based learning” with emphasis on the development

of “competencies” in learners with leverage on digital technologies.

The Hon’ble Minister stated that according to the global trend, the competency based learning empowers learners with the intellectual, social and behavioural competencies and transversal skills towards nurturing nationally rooted and globally competent citizens. He also said that NNC Instructional Guides (NNC IGs) for all subjects and classes were developed and disseminated to schools prior to the commencement of the 2021 academic session in order to translate the concepts and skills of the competency based education contained in the NNCF.

The Hon’ble Minister highlighted that as aspired by the Royal Kasho (2020), tenets of the 21st century education principles, and the urgency for an uninterrupted education from the 2021 academic session and strengthen the resilience in educational practices, the NNC IG is driven by digital technologies.

Responding to the second question, the Hon’ble Minister reported that inevitably, effective implementation of NNC IG was impeded by the digital accessibility and connectivity shortcomings. He further said that the recent zoom meeting with Principals and Dzongkhag and Thromdhey education sectors under lock down too indicated that though they embrace the novelty of the NNC, schools are not able to implement the NNC IG to their best abilities due to lack of digital devices and inability to afford for interact charges.

As presented by the Hon’ble Minister, the matter related to digital accessibility and connectivity was discussed and pursued mainly on the following areas:

- i. Urgent provisioning of digital devices – smart phones or tablets or laptops for students and teachers; and

- ii. Make urgent arrangement to strengthen the connectivity in terms of internet and data charges to facilitate access of online learning for students and teachers.

It was being reported that although the Ministry of Education has submitted detailed proposal to the Government to address the concerns of digital devices, however, due to huge cost implication, the Ministry has been asked to submit a realistic proposal which will be submitted soon.

The Hon'ble Minister concluded that the issue of connectivity entails collaboration and support from the Ministry of Information and Communication (MoIC) and that the Ministry is in close contact and efforts are being made by MoIC to fast track the connectivity, and address band width issues and data charges.

4. Hon'ble Minister for Foreign Affairs

Sitting 11 | Friday, 11 June 2021

The National Council held Question Hour Session on teenage pregnancies in the country with the Hon'ble Minister for Foreign Affairs who was also the chairperson of the National Commission for Women and Children. The Eminent Member Kesang Chuki Dorjee raised the concern from the Kuensel news of 29 May that reported 237 cases of teenage pregnancies recorded in 2020 in 18 Dzongkhags, except for Haa and Tsirang, where data was unavailable.

The Eminent Member stated that in 2016, the Social and Cultural Affairs Committee of the National Council also reported the concern on the rising number of teenage pregnancies in the country with 226 cases reported from 2009 - 2016. She said that the last year's number has surpassed seven years of statistics in one year alone, adding that 237

young girls, which includes a 12 year old girl from Samdrup Jongkhar have become pregnant.

The Eminent Member emphasized that everyone knows the risks of teenage pregnancies during delivery, the costs of sacrifice as most girls will not being able to continue their studies and the subsequent social and mental stress that could lead these young girls to even take their own lives.

The Eminent Member highlighted that furthermore, in the news report, some parents, education officials like counselors, principals and teachers, and even health officials hide this information and fail to report these cases to the Royal Bhutan Police (RBP), trying to resolve the issues in their own way. She said that the law is clear and these children are unable to give consent as Section 183 of the Penal Code of Bhutan clearly outlines this. Since we have recorded potentially.

Taking into account the record number of potentially more than 200 rapes committed against children last year alone, the Eminent Member, on behalf of the House, asked the following questions:

1. Can the Hon'ble Minister kindly confirm the total number of teenage pregnancies recorded for 2020 and also share how many cases were reported to the Royal Bhutan Police?
2. How does Ministry of Health collaborate with other concerned stakeholders to reduce incidences of teenage pregnancy? What are support mechanisms in place for such victims?

The Hon'ble Minister responded that the cases of pregnancies between the ages 18-19 are not recorded with the RBP as the age lies within the legal age for marriage, but pregnancies below the age of 19 are considered medically risky. So he

stressed the need to increase the legal age for marriage in Bhutan for the larger benefit of women.

The Hon'ble Minister confirmed that the recorded cases of teenage pregnancies in 2020 was 330, out of which 163 cases were below the age of 18 years and 167 were above 18 years of age. He reported that out of 163 cases of teenage pregnancies involving children under 18 years of age, only 24 cases were reported to the RBP.

In response to the second question, the Hon'ble Minister said that the Ministry of Health in 2016 developed teenage pregnancy reporting guideline and submitted to the Women and Child Committee of National Assembly which was also deliberated upon by the House.

He added that in order to prevent teenage pregnancies and to support those affected, the health sector has various mechanisms in place such as:

- Dedicated hospitals for women and children;
- Protection officers for victims;
- School health program,
- Adolescent Friendly Health Services (AFHS);
- Integrated Youth Friendly Service Centres (IYFSC);
- Legalization of the sale of birth control pills; and
- Dissemination of messages on the issue through video clips and posters.

The Hon'ble Minister reported that the AFHS have been set up in 11 district hospitals for adolescents to access health information, education, counseling and services with the purpose of paving the way for healthy lives besides attending to the immediate health concerns of young people. He said that one of the primary health service packages under AFHS is providing Sexual and Reproductive Health (SRH) education sessions and counseling to empower young people in making

informed choices about their sexual and reproductive health rights.

The Hon'ble Minister said that IYFSC have been established in 4 Thromdes in collaboration with the Ministry of Education, Ministry of Labour and Human Resources, and Bhutan Narcotic Control Agency to provide young people with improved access to various services and facilities of different agencies under one roof. He added that through this initiative, youth friendly services are able to reach out to more young people and provide education sessions on SRH including teenage pregnancy.

It was also reported that the systematic collaboration and network for referrals for cases of teenage pregnancy has also been set up between MoH and other collaborating partners like youth centres, school counselors/school health coordinators, NCWC and RENEW.

Some of the Hon'ble Members followed up with supplementary questions on the issues related to scarcity of human and financial resources, responsible media reporting, the important legal provisions, and the responsibilities taken up by the society in reporting the cases of teenage pregnancies.

5. Hon'ble Minister for Labour and Human Resources

Sitting 15 | Friday, 18 June 2021

The Hon'ble Member of Chukha Dzongkhag, in the Question Hour Session of the National Council highlighted that one of the root causes of youth unemployment is the lack of skills among job seekers to match the jobs available in the job market. He said that a robust and dynamic Technical and Vocational Education and Training (TVET) Institutions is therefore, important to build the skills required in the rapidly evolving labour market.

The Hon'ble Member outlined that although the TVET has been in existence since the mid 1960s, there is a general consensus that the TVET institutions have not been able to meet the expectation in terms of quantity as well as the quality and relevance of the training programmes.

Cognizant of this issue and deeply concerned by the lack of training opportunities for the youth, the National Council during its 23rd Session has also passed a resolution calling upon the Government to undertake certain reforms in the TVET Sector. The National Council has been aware that the Government has launched an initiative to reform the TVET sector and the House is highly appreciative of the efforts.

In this regard, the Hon'ble Member, on behalf of the House, asked the following questions:

- i. What are the main features of the TVET reform initiative that will help to address current challenges?
- ii. When does the Ministry envisage the launch of the reforms?

The Hon'ble Member of Chukha Dzongkhag also raised his concerns that about 7388 job seekers have been placed in overseas employment through officially registered employment agencies between 2013 and 2020 as per the records of the Ministry. Further, detailed data shows that 60 percent of those placed overseas were female and 3137 (42% of the total) job seekers had completed Class XII, and 2738 (37% of the total) had attained a Bachelor's Degree.

The Hon'ble Member stated that if such trends persist, our country will continue to see the emigration of a large number of educated youth who are in the prime of their productive life, which could hamper the achievement of our national development goals as Human Resources are vital to support economic growth and progress.

Therefore, the Hon'ble Member asked what policies and plans has the Government made to create employment opportunities for the youth within the country.

Responding to the questions, the Hon'ble Minister acknowledged the comprehensive TVET review report pursued by the National Council which has benefited the Ministry in tackling the reform task. He said that subsequent to taking over TVET reform initiative mandate in accordance with the directives of the Government from February 2021, the Ministry instituted an internal task force to take forward the TVET reform activities, starting with the formulation of the Draft National TVET Reform Plan.

The Hon'ble Minister explained that the Task Force started drafting the National TVET Reform Plan from April 2021, and submitted three presentations of the draft plan to the Ministry. The Ministry plans to submit the final draft TVET Reform Plan to the Government towards end of June 2021 for directives and/or endorsement.

The four core transformation areas proposed as part of TVET reform strategy are commonly referred to as "4 Ps" – Place, Product, People and Process, which will essentially focus on:

- *Place:* Building TVET institutions that provides appealing, authentic and ICT enabled learning environment;
- *Product:* Delivering TVET programs that are designed to adequately equip students with 21st Century skills and IR 4.0 competencies;
- *People:* Nurturing a pool of committed, motivated, and competent TVET leaders and professionals willing to trail blaze Bhutan's TVET to a global standard; and
- *Process:* Put in place a responsive, sustainable, agile and high performing TVET institutions and Systems.

The Hon'ble Minister assured that while the Ministry plans to officially launch the National TVET Reform Plan in July 2021, some of the reform activities have already been started. These include topographical survey of the six TTIs and two IZCs, curriculum development of some of the courses identified under the plan, delivery of ToT program by the Master Trainers and exploring institutional linkages with international partners (KOICA, Canada, Singapore, Swiss, Australia etc).

In response to the second question, the Hon'ble Minister reported that as per the National Employment Policies and Acts, the Ministry has prioritized the plans and programs such as Economic Stimulus Plan, Build Bhutan Project, Youth Engagement Program, and Critical Skills Training to ease the issues. He clarified that the Ministry has established a separate department on the 21st-Century Economic Road Map, further adding that the research and consultation process has concluded and the formalization of national minimum wages has been included.

6. Hon'ble Minister for Works and Human Settlement

Sitting 15 | Friday, 18 June 2021

The Hon'ble Member of Paro Dzongkhag highlighted that the 20-30 year valley development plan, which extends to all the 20 Dzongkhags, was framed by the Ministry of Works and Human Settlement (MoWHS) with an objective to promote integrated planning by keeping traditional architects intact and cultural landscape preserved.

The valley development project is included in the project for formulation of a comprehensive development plan for Bhutan 2030 as an umbrella plan. To address the issue of rural-urban migration and promote regionally balanced development, a Comprehensive National Development Plan for Bhutan 2030

was launched on June 27, 2019. The valley development plan is included in the national land use plan as a regulatory plan.

The Hon'ble Member expressed that while implementing the valley development plan, people faced couple of challenges and issues owing to various restrictions imposed. He said the people feel that the MoWHS has not consulted properly with the relevant stakeholders like National Land Commission, Ministry of Agriculture and Forest, Local leaders and residents while developing the plan. The challenges expressed were:

- *Green zone/ Environment Zone*

Due to identification of Green zones, people are not allowed to convert wetland to dry land. People find the green zone very inconvenient as the identification of the green zone is confusing. There is no clear directive on land substitutions for those households whose land falls under green zone or environmentally sensitive zones. As a result the people cannot undertake any construction or developmental works in the area identified as green zones.

- *Buffer Zone/ Red Zone*

There are many areas in Dzongkhags like Punakha, Wangdue and Bumthang, which are identified as red zones or buffer zones owing to dangers of natural calamities like glacier outburst, floods etc. These places are identified as unsafe zones for settlement and people are not allowed to do any sort of developmental activities. The local leaders took people's issues and challenges and recommended revising the whole valley development plan.

Against these backdrops, the Hon'ble Member, on behalf of the House, asked the following questions to the Hon'ble Minister:

1. When is MoWHS going to start reviewing the valley development plan and finalize it?
2. The issue was brought to the limelight because of lack of inadequate grass root consultations with the relevant

stakeholders. Therefore, when and how would the Ministry go forward?

In response, the Hon'ble Minister acknowledged the facts stated in the question and shared that the Ministry has developed an integrated valley development plan, which will be shared later this month. However, he indicated that since the Ministry has to also respect the water, land, and other related acts, developmental activities near the river buffer zones and in wetlands will still be restricted from the Ministry.

According to the Hon'ble Minister, the Ministry would review the Paro Valley Development Plan in 2020-2021 fiscal year; however, they doubt what is reviewed would make everyone happy and satisfied. He said that the issue for now is, during the consultation, people have a poor participation and even if there is participation, their expectation is to construct in restricted areas, which are not allowed by different acts or laws. He added that if this is the case, the Ministry will not be able to sort out the issue and help the people in any ways even if they review the valley development plan 100 times or so.

Some of the Hon'ble Members raised follow-up questions regarding land substitution and compensations. The Hon'ble Minister responded that land substitution and compensation is under the purview of National Land Commission and that the Ministry is also in the process of discussing the matter. He said that the Ministry was unable to carry out the planned activities as soon as the plan was approved owing to many factors such as resource restraint and topography.

The Hon'ble Minister added that granting approval for construction activities in identified zones is also a risk for the ministry due to the unsafe settlement and dangers of natural calamities such as glacier outbursts, floods, etc. He informed that the community development plan will soon be shared with the Dzongkhags for further implementation.

F. Closing Ceremony

Sitting 17 | Tuesday, 29 June 2021

The 27th Session of the National Council, which commenced on 27 May 2021 successfully concluded on 29 June 2021 corresponding to the 20th Day of the 5th Month of Iron Female Ox Year of the Bhutanese Calendar. After the closing address of the Hon'ble Chairperson, the House offered *Zhabten* to seek blessings of the *Kenchog Sum* and protection of the guardian deities for the long life and prosperity of His Majesty the Druk Gyalpo. The House also offered *Tashi Moenlam* for the wellbeing of the King, country and people.

1. Closing Address of the Hon'ble Chairperson

The 27th Session of the National Council concludes today in this new session hall without any obstacles. The successful proceedings are ascribable to the protection from the guardian deities; wisdom of His Majesty the beloved Druk Gyalpo; blessings of His Holiness the Je Khenpo, monastic body and other religious institutions; and the good fortune of all the people of Bhutan.

On behalf of all the Members of the House, I would like to offer deepest gratitude to His Majesty the Druk Gyalpo for being compassionately thoughtful of the National Council and personally gracing the opening ceremony of 27th Session in the new National Council hall coinciding with the auspicious day.

Similarly, I would like to submit heartfelt gratefulness to Her Majesty the Gyaltshen, and the Royal Prince and Princess for accompanying His Majesty the Druk Gyalpo to the official opening session. I would also like to thank the Prime Minister, Opposition Leader, Foreign Dignitaries, and all the Executive

Officials for their presence during the proceedings of the opening ceremony as invited by the House.

Since its first Sitting, National Council has effectively deliberated on various legislative issues, review of policies, and other important matters until the closing of the session today. The fruitful outcomes of the successful debates are because of in-depth research conducted by the Members, and displaying valuable insights towards the benefit of people and the country while debating, providing suggestions and questioning the ministers. I would like to, therefore, extend my appreciation and gratitude to all the Members of this House.

I would like to thank the Division Chiefs and all the secretariat staff of the National Council, steered by the Secretary General and Director, for undertaking various tasks in remodeling of this new session hall and also for their efforts towards smooth proceedings of this session without failure.

Similarly, I would like to express indebtedness to officials and all other staff of the Department of National Properties for arranging logistical arrangements for every session and most importantly for the scrupulous attention on the preparatory works this time to conduct the session in the new hall.

I would like to extend gratefulness to Royal Bhutan Police and De-suups for their strenuous efforts towards providing security services, and to Bhutan Broadcasting Service and other media houses for disseminating information on pertinent issues to the public through BBS television and print media besides reporting session-related news.

Lastly, I would like to reiterate that without any obstacles, we have been able to successfully conclude the 27th Session of the National Council, which is conducted for the first time in this new session hall remodeled from the Royal Banquet Hall in line with the Royal Advice.

Guided by the protection of the guardian deities, wisdom of His Majesty the Druk Gyalpo, blessings of His Holiness the Je Khenpo and the monastic body, and supports of the people; like the rays the of the sun illumines the already white stupa, I would like to offer my humble prayers to have more fruitful and successful sessions henceforth in order to fulfill Royal aspirations and ensure peace for the people. Once again, Tashi Delek for concluding this session successfully.

We will now offer *Zhabten* of His Majesty the Druk Gyalpo followed by the *Tashi Moenlam* to officially conclude this session.



(Tashi Dorji)
Chairperson
National Council of Bhutan

ANNEXURE I: Follow-up Report on the Recommendations on RNR Marketing Policy

(A) MINISTRY OF AGRICULTURE AND FORESTS (MoAF)

Recommendation I

The analysis of 10 years data from 2010 to 2019 exposed the following cross cutting issues related to production and marketing:

- 1) There exists huge gap between the import and production of vegetables for tomatoes and onions,
- 2) The productivity of cash crops such as apples and oranges are stagnant but increase in their import,
- 3) The import of never exported fruits such as banana, mangoes, papayas, pineapples and water melon have been increasing,
- 4) The products such as apples, shelled betel nuts and ginger are imported at higher price than the export.

Some of these crosscutting issues are expected to be addressed through the implementation of 3 years marketing action plan, which was approved in the 1st Multi Sectoral Committee (MSC) meeting and Agriculture Economic Contingency Plan 2020. But, MSC has become weak by reducing the quarterly meeting required in the Policy to twice in the Terms of Reference and became non-functional for having met only once since the inception of the policy. The difficulty of getting common conveyance for the committee meeting and having indecisive representatives from other stake holders could have been discussed and resolved if subsequent MSC meeting was held. Moreover, any crosscutting issue would have been the discussion points in the meeting and consequently strategized the appropriate action plans. Therefore, MSC has to be functional in order to put the marketing system in place by coordinating and

harmonizing the approaches of all involved stakeholders as per the Policy and Terms of Reference.

Response

A Multi-Sectoral Committee (MSC), following the RNR Marketing Policy 2018, was formed to address the Marketing issues of the cross sectoral agencies.

After the formation of this committee, we organized the first meeting where the ToR of the MSC was finalized. We attempted for further meetings seeking agenda from the sectoral agencies. Having received no pertinent issues as an agenda, the secretariat of MSC couldn't organize follow up meetings.

However, as this MSC meeting is important and as recommended by NC, the ministry will activate the committee and the meeting. The next meeting is scheduled in May, 2021.

Recommendation II

Various market infrastructures such as cold store, naturally ventilated store, large market, roadside market, farm shop, cooperative shop, sales outlet, pack house, warehouse, processing equipment and others have been established by the Ministry and most are functional. Most of the infrastructures have been established independently by the Department of Agriculture Marketing & Cooperatives (DAMC) and National Post Harvest Centre (NPHC). From the field visits, it was found that most farm shops have limited storage space, road side collection sheds have no toilet facility and only a few cold stores and other farm level stores, which could assure longer storage life of products, have been established.

Having learned a lesson from COVID-19 and to deliver faster and better services, MoAF in collaboration with Thromde is establishing vegetable market sheds at other appropriate

locations without having future utilization plan of the existing Centenary Farmers' Market.

During the Nationwide Lockdown because of COVID-19, people had access only to a limited quantity and variety of vegetables as the import of vegetables has been temporarily restricted. Also many locally grown products like cabbages and ginger were spoiled when the export could not be done. It confirms the limited storage and processing facilities and poor distribution channels for fresh vegetables.

Thus, there is a need to establish smaller capacity cold stores at strategic locations facilitated by refrigerated vans, other low-cost farm level stores, future utilization plan of Centenary Farmers' Market and small-scale processing equipment to improve the distribution of fresh and processed quality products within the country and export.

Response

Development of market infrastructure for public use is one of the important strategies to facilitate marketing. In the fiscal year 2019-2020, the Department has supported constructions of 17 market infrastructures including large market facility in Dagana and Mongar.

In line with the need to build storage capacity in the country, the Ministry in collaboration with FCBL has initiated establishment of 3 integrated Cold Stores and Warehouses-one each in Sarpang, Tashigang and Wangdue. These facilities are due for completion by August 2021. Further, the establishments of 5 Cold Stores are proposed in the forthcoming fiscal year 2021-2022. SOEs such as FCBL and BLDCL were supported with the Refrigerated Vans.

The establishment of small capacity cold stores by private parties is also encouraged and ensured with support through

cost sharing mechanisms of 80:20 ratio i.e. share of investment of 80% by the proponent and 20% by the Government. The Ministry has also issued letter of interests to the private entrepreneurs for leasing of land and availing financial loans for establishment of such structures.

The Ministry, as in the past, is continuously supporting producer farmers and processors with small-scale processing equipment mainly through farmers group and cooperative development programs. For the coming FY, the department has invited expression of interest for financial support to set up cottage and small scale RNR based enterprises.

Recommendation III

Various market studies are carried out and uploaded on the DAMC's website. Some of the findings of the studies are captured in the action plans of the Department but there is no assured coordination among the stakeholders for the implementation of the findings of the studies, for example, initiating the production of suitable cardamom variety for international market.

Though RNR-Enterprise Coordination Unit is going to facilitate with regards to enterprise development, any intervention is somehow delayed because the DAMC has to collaborate with multi stakeholders especially the NPHC, implementing the value addition as well as market infrastructure, has no direct interaction in planning since NPHC is under the management of different Department, Department of Agriculture.

Under the financial scheme such as Corporate Business Development Scheme, buy back scheme and school and hospital program have benefited the farmers though implemented based on the budget availability.

With the introduction of Good and Service Taxation system in India, the export of fresh produce faces some problems where the products get stranded unless there is prompt intervention from the concerned authority. With this hiccup, the products get spoiled and results economic loss to the people.

There is a need to establish mechanisms among the stakeholders for:

- 1) Discussing the findings of market studies, for example, initiating the production of suitable cardamom variety for international market, and
- 2) Adoption of technically feasible processed products through stronger and formal collaboration between DAMC and NPHC.

There has to be continuous support to the existing financial schemes with sufficient budget and good public awareness.

The current stranded problem of fresh produce export has to be resolved in advance by working in collaboration with the counterpart authority.

Response

In reference to resolving of issue of stranded problem of fresh produce export various actions have been taken:

- i. The Ministry in collaboration with the Foreign Ministry has taken up the export trade regulatory issues with GOI and resolved,
- ii. The Ministry deputed marketing officials at Phuentsholing and facilitated the fresh produce export through establishment of dedicated agricultural export transshipment facility, escorting of outbound vehicles from green zones to transshipment facility and implementing the COVID 19 containment measures during the export,

- iii. Producers/Exporters were linked with the potential buyers across the borders,
- iv. Activated buy back scheme for those commodities such as cabbage and ginger which has very low export price, and
- v. Distribution and linking with domestic markets were facilitated.

Recommendation IV

Agriculture Marketing Information System (AMIS) is accessible through an online system as well as mobile apps. The online system has real-time prices of 37 commodities located in 23 markets across the country. It will also have information on the latest auction market prices linked through the Food Corporation of Bhutan. However, there is no information on the quantity of products required by the market and the public are not aware of AMIS.

To have better information, it is good to incorporate the estimated quantity of products required per market in the AMIS and also display it on TV screens in the Market. If possible, the estimated quantity, location of the products and cost of production needed to be incorporated in AMIS. Further public awareness on AMIS has to be carried out.

Response

AMIS was launched towards the end of June 2020 covering price market information of 37 commodities from 23 markets across the country. In addition, the provision of information on the latest auction market process is also linked with the FCBL. Recently, two additional markets under Thimphu Thromde and two additional commodities has been also added into the system- thereby taking the total number of markets covers to 25 and commodities to 39. Over the time, we wish to increase the coverage both of the market and commodity based on the requirement. However, as submitted earlier, one of the current

limitations of the AMIS is the volume traded per market. Towards this end, the department through the project (EU-ITC), which supported the development of AMIS explored various options and means to capture the volume traded in each market. However, given the complexity in capturing such data from each market and having into the system, the department was advised that from the experiences of such systems in other countries, the best option would be to go for one time survey to capture the volume aspect, which will definitely add up to the cost. At the moment, the department is exploring how best to incorporate the volume aspect with the support of EU-ITC into the current AMIS.

(B) MINISTRY OF FINANCE (MoF)

Recommendation V

The availability of CSI banking service at Gewog Level has reduced the travel of people to the Dzongkhag and the online application has reduced the administrative burden but the delay of loan approval is a concerned for the loan applicants. The disqualification of loan application criteria as per the credit manual 2020 is not available on CSI website for the public. The technical recommendation letter from the respective department has to be produced manually. Therefore, CSI bank has to upload the disqualification of loan application criteria on the website and need to work for providing the technical recommendation letters from the respective Department electronically. Further, the management has to expedite the loan approval by setting the turnaround time for every loan portfolio.

Response

- The delay in the loan approval happened last year mainly because of the following reasons:

- i. Increase in unexpected numbers of applicants (especially in response to monetary measures of RMA wherein interest rates were reduced),
- ii. National lockdown on two occasions from August 11 to September 11 and December 2020 to January 2021, which severely hampered the bank to manage the loans, and
- iii. As the new Core Banking Solution (CBS) system was underway, all the applications were processed manually. However, CBS is on trial starting from this month.

By the end of 2020, the bank had almost 2000 pending applications. The pending applications were completed only recently. Now, the bank expediting the process and reduce the turn around time for Micro loan (Loans up to Nu. 500,000) to the maximum of 10 working days and for CSI loan to less than 21 days. To make it possible, the bank has started to approve the loans on a weekly basis and sign the legal documents at the geog level through CSE without requiring the applicants to report to the HQ/Dzongkhag office as it used be in the past.

- CSI bank credit manual contains eligible criteria and conditions for loan application but does not specify the disqualification criteria for loan applicants and manual is for the internal use and can't be given in the website. Although the rejection loan applicants very low, these are based on the nature of projects and their feasibility, completeness of required documents and consonance with the bank's mandate. However, the bank has uploaded eligibility criteria in the bank's website along with the checklist.
- We already have the practice of receiving technical clearances from agriculture and livestock officers from the geogs. These information are electronically transmitted to the approving authority of the bank.

ANNEXURE II: The Civil Society Organization (Amendment) Bill of Bhutan 2021

After thorough deliberation on 1/06/2021, the House adopted the Civil Society Organizations (Amendment) Bill of Bhutan 2021 on 17/06/2021 with the following amendments.

Preamble

An Act to amend the Civil Society Organizations Act of Bhutan 2007.

The Parliament of the Kingdom of Bhutan do hereby enact as follows:

Title

This Act is the Civil Society Organizations (Amendment) Act of Bhutan 2021.

Commencement

This Act comes into force on the.....Day of the.....Month of the.....of the Bhutanese Calendar corresponding to the.....Day of.....2021.

Extent

This Act extends to the whole of the Kingdom of Bhutan.

**In the Civil Society Organizations Act 2007, new subsection is inserted after section 7(i) as 7(j):
violate this Act or any other laws in force.**

Section 8

Authority

An independent “Civil Society Organizations Authority”, hereinafter referred to as “the Authority” shall be established under this Act. ~~and it shall be the regulatory authority under this Act.~~

In the Civil Society Organizations Act 2007, new section is inserted after section 8 as 8A:

The Authority shall be provided with adequate human resources necessary to enable it to exercise its powers or functions efficiently.

In the Civil Society Organizations Act 2007, new section is inserted after section 8 as 8B:

The government shall make adequate financial provisions for the independent administration of the Authority as part of its annual budget.

Section 9

~~The Authority shall consist of:~~

- ~~(a) A senior official from the Ministry of Finance appointed by the Finance Minister;~~
- ~~(b) An eminent lawyer with knowledge and experience of laws relating to CSOs, who is recommended by the Attorney General;~~
- ~~(c) Two eminent members representing the CSOs; and~~
- ~~(d) A senior official from the Ministry of Home and Cultural Affairs, appointed by the Home Minister, who shall be the member secretary of the Authority.~~

The Authority shall have seven members consisting of:

- (1) the Secretary, the Ministry of Home and Cultural Affairs who shall be its ex-officio Chairperson;**
- (2) a representative in executive positions from the:**
 - (a) Ministry of Foreign Affairs;**
 - (b) Gross National Happiness Commission;**
 - (c) Department of Law and Order;**
- (3) two representatives from the CSOs; and**
- (4) the Executive Director of the Authority as the member secretary.**

Section 10

~~The members of the Authority shall elect a Chairperson from among themselves.~~**The respective agencies shall appoint members other than the member secretary and the two representatives from the CSOs.**

Section 14

~~The term of office of the members of Authority shall be three years and no person shall hold office for more than two terms.~~**Except for other members, the members described in Section 9(3) shall serve for three years and shall be eligible for a maximum of two terms.**

In the Civil Society Organizations Act 2007, new subsection is inserted after section 15(l) as 15(m):

Supervise all CSOs to ensure their compliance with the obligations under the Anti-Money Laundering and Countering of Financing of Terrorism Act of Bhutan.

Section 16

Endowment Fund Limit

The Authority shall prescribe endowment fund limit for the MBO **or** PBO from time to time.

Section 20

Office Secretariat of the Authority

~~The Authority shall establish an office for carrying out its functions and responsibilities under this Act.~~ **There shall be a Secretariat of the Authority to carry out the functions delegated by the Authority and as prescribed in the rules and regulations.**

Section 21

~~The Authority shall be supported by administrative machinery staffed by civil servants as per the Civil Service Rules and Regulations. The Authority may incur expenditures that are required for carrying out its functions and responsibilities under this Act.~~ **The Secretariat of the Authority shall have executive director as its head and such other required staff whose appointment, terms and conditions of service shall be in accordance with the Civil Service Act of Bhutan.**

Chapter 5

Registration, Establishment and Removal

Section 23

Notification and Application

~~CSOs that have already been established or created shall submit to the Authority within three months of the commencement of this Act, a duly completed application for registration except as otherwise exempt under this Act.~~

Section 32

~~**Cancellation of Registration Due to Cessation of Activities**~~

~~If a CSO has ceased for a period of at least two years to carry out the purposes and activities set forth in its Article of Association, its registration shall be cancelled.~~

Removal from the Register

A CSO shall be removed from the register, if:

- (1) it has ceased for a period of at least two years to carry out the purposes and activities set forth in its Article of Association;**
- (2) its money or property is used for purposes and activities not set forth in the Article of Association;**
- (3) it so requests for voluntary removal;**
- (4) it fails to report:**
 - (a) cessation of its existence; or**
 - (b) change in its purpose or information; and**
- (5) it violates this Act or any other laws in force.**

Section 33

~~Contributions and Property Not Used For Intended Purposes~~

~~If money or other property contributed to or owned by a CSO is used for other purposes and activities not set forth in the Article of Association at the time of registration, such money or other property shall cease to be the property of the CSO, and its registration may be cancelled.~~

Section 34

~~Removal from the Register~~

~~If the removal of an organization is due to any change in its purpose, the removal shall take effect from the date of that change.~~

Section 35

~~A CSO, which is for the time being registered under this Act shall be voluntarily removed from the register if it so requests.~~

Section 36

~~It is the duty of each registered CSO to report to the Authority:~~

- ~~(a) If the organization ceases to exist; and~~
- ~~(b) Supply the Authority with particulars of any significant change in its purpose or in the information entered in the register.~~

In the Civil Society Organizations Act 2007, new section is inserted after section 50 as 50A:

A foreign CSO shall be removed from the register of accreditation if it violates this Act or any other laws in force.

Section 60

Person Disqualified from being Board Members

~~(e) Currently holds any senior office or position in a Government controlled company or organization, unless otherwise exempted by law; or~~

Section 92

Accounting and Reporting System

~~PBOs~~**The CSOs** under this Act shall establish an accounting system in accordance with the Financial Rules and Regulations of the Royal Government of Bhutan.

Section 93

~~The PBOs~~**CSOs** shall make full disclosure of financial information, including sources of funding, application of funds and audited accounts.

Section 95

Annual Accounts

The accounting records **of CSOs** shall contain **financial statement (revenue and expenses, assets and liabilities, cash flow statement).**

- ~~(a) The total sums of money received and the total expenditures made; and~~
- ~~(b) A record of the PBO's assets and liabilities.~~

Section 96

Annual Audit

~~The Royal~~**annual Aauditof CSOs Authority** shall be **in accordance with the Audit Act of Bhutan.** ~~conduct an annual audit of the PBOs.~~

Section 97

Annual Reports

The members of the Board of a ~~PBO~~**CSO** shall prepare in respect of each financial year, an annual report ~~enclosing as prescribed by the rules and regulations made under this Act.:~~

- ~~(a) A prescribed report by the trustees on the activities of the PBOs during that year; and~~
~~(b) Such other information relating to the PBOs or to its trustees or officers as may be prescribed by rules and regulations made under this Act.~~

Section 98

The annual report required to be prepared under section 97, in respect of any financial year of a ~~PBOs~~**CSOs** shall be put in the public domain in either electronic or paper form.

In the Civil Society Organizations Act 2007, new section is inserted after section 116 as 116A:

A person who contravenes sections 7, 32, 58, 59 and 86 of this Act, wherever applicable, shall be liable in accordance with the Penal Code of Bhutan.

Section 122

Illegal Fund Raising

A person or institution shall be guilty of illegal fund raising, if the person or organization raises funds or solicits money or other property as a charity not in accordance with this Act. The offence shall be ~~petty misdemeanour~~**a value-based sentencing in accordance with the Penal Code of Bhutan.** If the wrongdoer is an institution, such institution shall be fined or have its registration suspended or cancelled if it is registered.

In the Civil Society Organizations Act 2007, new section is inserted after section 123 as 123A:

Criminal actions not barred

Where any conduct described in this Act also constitutes a criminal offence, which is punishable under any other laws, it shall not be considered as a limitation to the criminal prosecution.

Section 124

Rule making power

The Authority shall:

- (1) make rules for effective administration and effective implementation of this Act; and**
- (2) develop model Articles of Association and Memorandum of Association in both Dzongkha and English.**

ANNEXURE III: Recommendation on the Goods and Services Tax (Amendment) Bill of Bhutan 2021

3. In the Goods and Services Tax Act 2020, hereinafter referred to as the Act, Section 3, Chapter 1 under Part I is amended as:

“Notwithstanding section 2 of this Act, the provisions under

- (1) Chapter 7, Accounting for GST;
- (2) Chapter 8, Payment of GST;
- (3) Chapter 9, Refund of net amount;
- (4) Chapter 10, Registration

Comes into force on the 1st day of the 7th month of ~~2021~~ **2022.**”

(Not Accepted National Assembly’s Amendment)

National Council’s justifications for objecting Section 3 of the Goods and Services Tax (Amendment) Bill of Bhutan 2021 and the Recommendation thereof

The National Council fully recognizes the merit of introducing the GST system as it would help promote modernization of the taxation system through digitization, broaden the tax base, and address the issues of double taxation and tax evasion.

The Council also acknowledges the efforts of the Government in developing BITS projects which was however hampered by the COVID - 19 pandemic.

Nonetheless, the Council expresses its reservation on the amendment to Section 3 on the following accounts:

A. Legality of the commencement date

With the proposed amendment, the enforcement dates of the Goods and Services Tax (Amendment) Bill of Bhutan 2021 are as follows:

- Chapters 1 to 6 and 11 to 30 are presumed to be enforced from the day of enacting the Goods and Services Tax Act of Bhutan 2020.

- Chapters 7, 8, 9 and 10 to be enforced with effect from 1st day of July 2022.

Firstly, it is unprecedented for one Act to have two different dates of commencement. Secondly, as per the Section 46B of Public Finance (Amendment) Act 2012, “the imposition or increase of any tax or abolition, reduction or remission of any existing tax once passed as law by Parliament, shall be applied retroactively from the date it was initially tabled in the National Assembly”.

Therefore, till such time the Section 46B of the PFAA 2012 is amended, any deviation from it would amount to willful violation of the prevailing law.

B. Need to draw a clear distinction between the Money Bill and the Financial Bill

Article 13(2) of the Constitution implies that the Money Bill and Financial Bill are two different Bills. However, Section 46A of Public Finance (Amendment) Act 2012 treats Financial Bills as synonymous with Money Bill. This provision is not in accordance with Article 13(2) of the Constitution.

Article 13(5) of the Constitution further states that only Budget and Urgent Bills shall be passed in the same session of Parliament. However, so far all the Bills that are deliberated and passed as Money Bills by the National Assembly are passed in the same session as per the Section 46E of Public Finance (Amendment) Act 2012 that states:

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

This provision of PFAA 2012 directly contravenes Article 13(5) of the Constitution.

Upholding the aforementioned justification, the National Council hereby, recommends the National Assembly to urgently introduce the amendment of the Public Finance (Amendment) Act 2012.

ANNEXURE IV: Recommendations on the Revised Customs Duty Rates

Chapter	Page	Heading	BTC	Commodity	Existing	Proposed	NC's Recommendation
8	17	08.02	0802.90.10 & 0802.90.20	Betel nuts	50	10	50
20	33	20.09	2009.11 to 2009.90.90	Fruit Juices	50	10	50
22	36	22.02	2202.10.00	Water	50	10	50
33	67	33.07	3307.41.10	Poe	30	10	30
50	99	50.07	5007.90.10 to 5007.90.70	Woven fabrics of silk or of silk waste	30	10	30
51	100	51.11 & 51.12	5111.11.10, 5111.11.20, 5111.11.30, 5111.19.10, 5111.19.20, 5111.19.30, 5112.11.10, 5112.11.20, 5112.11.30, 5112.19.10, 5112.19.20	Yathra, Kheze and Kayra	30	10	30

			& 5112.19.30				
64	126	64.04	6404.20.10 & 6404.20.20	Dralhams, Tsholhams	30	10	30
71	138	71.14	7114.11.10 to 7114.11.70	Komas, Jabthas, Sechus, Dopchus, Zukies, Chakas and Timis	30	10	30
85	181	85.43	8543.70.30	Electric fence energisers	10	10	0
92	195	92.02	9202.90.10 & 9202.90.20	Dramnyens and Chiwangs	10	0	10
92	195	92.05	9205.90.10 to 9205.90.50	Jalings, Pipis, Lingms, Kongthas and Dhoongs	10	0	10
96	200	96.01	9601.10.00 & 9601.90.00	Worked Ivory, articles of ivory and others	100	10	100

Rationale for National Council's recommendations on Customs Duty Bill 2021

1. Agriculture Sector:

Reduction of CD on many agricultural products will impact our farmers. For example: betel-nut CD has been reduced from 30% to 10 %. Many advanced countries maintain tariff and provide subsidies to protect their local farmers. CD on Betel nut is recommended to be maintained at 50% to protect our people who grow betel nuts.

2. Small and medium enterprises:

The new CD rates for products like incense sticks has been reduced from 30% to 10 %, water and fruit juices from 50% to 10%. As a result our SMEs will have to compete with imports for domestic market in Bhutan. This will disadvantage our own small and medium industries who have taken loans to establish factories and employ local people. The NC recommends to keep the CD at existing levels.

3. Traditional Handicraft Industries.

Bhutan is well known for our traditional handicrafts. However, there is already rising competition from imported handicrafts from neighboring countries and abroad making Bhutanese like and Buddhist handicrafts. The Bill proposes to reduce CD on traditional dralhams, tsoglhams, gho, Kira, yathra products and others like Koma, jabtha, chakras, timid, etc., from 30 % to 10 %. Similarly, the Bill proposes to reduce CD on Dramnyens, Chiwangs, Jalings, Lingms, Pipis, Kongthas and Dhoongs from 10% to 0%. Such CD reductions on products that are also locally made will lead to loss of competitiveness for our local handicrafts. The NC recommends to keep the CD at existing levels.

4. Electric fence energisers

The NC recommends the reduction of CD on electric fence energisers to 0%. This is because electric fences are very important for our farmers to protect their crops from wildlife. Making such electrical items more accessible and cheaper will help our farmers immensely and enhance agriculture productivity.

5. Worked Ivory, articles of ivory and others

The NC recommends to keep the CD on worked ivory, articles of ivory and others at existing levels. This is to discourage import of such items as elephants are globally listed as endangered species as per the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

ANNEXURE V: Recommendations on the National Budget for the Financial Year 2021-22

4.7 National Credit Guarantee Scheme (NCGS)

As per the National Budget Report, the NPL ratio under NCGS has been targeted at a rate that is “significantly lower level than the current average NPL ratio of 24%.” On the other hand, the current NPL for BOB and BNB are 4% and 12.98% respectively.

Considering the need to ensure prudent use of the public resource and to ensure transparency in management and accounting of the NCGS, the house would like to recommend that a clear and specific NPL target be set rather than setting a wide range below the current NPL ratio which is already very high at 24%. This will ensure higher levels of accountability and responsibility for the borrowers as well as the lender.

4.11 Sector Allocation

There have been growing cases of mental disorder, suicidal deaths, substances and drug abusers in the country over the past years. For example, on an average about 3764 individuals were reportedly diagnosed for mental health disorder annually between the years 2010 and 2019. A total of about 468 suicidal deaths were reported between 2016 and 2020. About 6964 individuals were booked under the illicit trafficking and use of narcotic drugs and psychotropic substance (NDPS) between 2011 and 2019. There is also rising media reports on sexual abuse of young children and victims of domestic violence.

The complex interplay among different factors causing the above social problems is a clear indication that interventions will have to be a multi-pronged approach taking on board all other agencies beyond Ministries of Education and Health. Such an approach to a solution is imminent to effectively address these impending social problems before they go out of control.

Therefore, it is recommended that the financial allocation for addressing social issues such as mental disorder, suicidal deaths, alcohol, substance abuse and welfare of women and children, disabled and elderly population be clearly disaggregated and presented in the Annual Budget Report.

4.11.3 Renewable Natural Resources

Wild life crop depredation is a serious concern across the country. This has a direct impact on the livelihood of our farmers and national food security. Considering the importance of addressing this issue the Government has created an Endowment Fund for Crop and Livestock Conservation. However, the endowment fund is not yet operational. Therefore, until such time the endowment fund is operational, the house would like to recommend the Government to support and compensate farmers for crop and livestock damages from the National Budget.

4.11.4 Mining and Manufacturing Industry

The National Council would like to commend the bold decision of the Royal Government to allocate the Chunaikhola Dolomite Mines to the State Mining Corporation Limited in 2020. This decision not only respects and adheres to various provisions of Constitution but also reflects the manifesto of the ruling party to narrow the gap between the rich and the poor.

The nation and the people will benefit from the above decision due to higher revenues for the Government. For example, the profits from the sale of dolomite by SMCL is expected to rise substantially. This is because the export price declared by the private company till 2019/20 ranged from Nu. 510-573 per MT. On the other hand, the SMCL has been able to export dolomite for double the price at about Nu. 1100-1200 per metric ton since it took over.

The Government will also get higher tax revenue from the SMCL. While the private companies pay only 25% CIT, the SMCL pays CIT at 30%.

The profits generated from SMCL are also transferred as dividends to the Royal Government rather than as profit transfer to a few individuals.

Such additional revenue to the Government from the mining sector will help to address many economic challenges faced by the Government due to the pandemic. This includes financing the growing budget deficit, containing the rising public debt and upholding Constitutional obligations to meet recurrent expenses from domestic revenues.

Therefore, the House would like to recommend that all efforts be made to ensure that the legal framework for the entire mining sector that is being discussed in Parliament (Mines and Minerals Bill of Bhutan 2020) is aligned to the Constitution so that the immense benefit from this sector flows to all the Bhutanese people and the nation at large.

4.11.7 Road Sector

The Haa- Samtse Secondary national highway construction is overseen by two Regional Offices of the Department of Roads, MoWHS. The budget for this road under Phuntsholing Region is provided in the 2021-2022 budget. However the budget for the 68 km stretch that falls under Thimphu Region is not provided in the current budget.

In view of the above, the House would like to recommend to review and allocate adequate budget for ongoing activity “construction of secondary national highway from Haa Jyenkhana to Sombaykha” to enable timely completion of the planned work.

ANNEXURE VI: Amendments on Tobacco Control (Amendment) Bill of Bhutan 2021

Section	Original Section of the Bill	NA Amendment	NC Amendment
Preamble		A Bill to amend the Tobacco Control Act of Bhutan 2010. The Parliament of the Kingdom of Bhutan hereby enacts as follows:	Accepted NA's Amendment
Title		This Bill is the Tobacco Control (Amendment) Bill of Bhutan 2021.	Accepted NA's Amendment
Commencement		This Bill comes into force on the Day of the Month of the Year corresponding to the Day of the Month of	Accepted NA's Amendment
Repeal		The Sections 11 (b), 11 (c), 11 (d), 11 (e), 51, 51A, 51B, and 51C of the Tobacco Control Act of Bhutan 2010 are repealed.	Accepted NA's Amendment
Sub-Title of Section 11	Cultivation, manufacture, sale, supply and distribution of tobacco products	Cultivation and manufacture, sale, supply and distribution of tobacco products	Accepted NA's Amendment
Section 12	A person may import tobacco or tobacco products for personal	A person may import tobacco or tobacco products	Accepted NA's Amendment

	consumption as per the quantity and type determined by Parliament in Annexure 1.	for personal consumption or commercial purpose. as per the quantity and type determined by Parliament in Annexure I.	
Section 13	A person importing tobacco or tobacco products for personal consumption shall pay duties and taxes as prescribed by Parliament.		A person importing tobacco or tobacco products for personal consumption or commercial purpose shall pay duties and taxes as prescribed by Parliament.
Section 14	Any person with the possession of tobacco and tobacco products for personal consumption on demand shall provide proof of tax and duty payments.		Any person with the possession of tobacco and tobacco products for personal consumption or commercial purpose on demand shall provide proof of tax and duty payments.
Section 15	All tobacco products imported for personal consumption shall show the country of origin and appropriate health warnings.		All tobacco products imported for personal consumption or commercial purpose shall show the country of origin and appropriate health warnings.
Section 17	All tobacco products imported for personal consumption shall not promote a tobacco product by any		All tobacco products imported for personal consumption or

	means that are false, misleading, deceptive or likely to create an erroneous impression about its characteristics, health effects, hazards or emissions and any other indications that creates the false impression that a particular tobacco product is less harmful than other tobacco products.		commercial purpose 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 indications that creates the false impression that a particular tobacco product is less harmful than other tobacco products.
Section 32 1)	promote public awareness on import limitations, especially at border areas;		promote public awareness on import limitations, especially at border areas;
Section 34 a)	The Ministry of Economic Affairs has the responsibility to: a) ban production, manufacturing and sale of tobacco and tobacco products in the Kingdom;	The Ministry of Economic Affairs has the responsibility to: a) ban production and manufacturing and sale of tobacco and tobacco products in the Kingdom;	Accepted NA's Amendment
Section 35 a)	enforce quantity limitation on import of tobacco and tobacco products across borders at the entry points;		enforce quantity limitation on import of tobacco and tobacco products across borders at the entry points;

<p>Section 38 b)</p>	<p>The Royal Bhutan Police have the responsibility to: b) Assist the relevant agencies on prohibition of production, manufacturing , distribution and sale of tobacco and tobacco products;</p>	<p>The Royal Bhutan Police have the responsibility to: b) Assist the relevant agencies on prohibition of production ; and manufacturing , distribution and sale of tobacco and tobacco products;</p>	<p>Accepted NA's Amendment</p>
<p>Section 43 (1) a)</p>	<p>at any reasonable time enter and inspect any place where he/she believes tobacco and tobacco product is manufactured, prepared, packaged, stored for distribution or for sale; any individual, shop, vendor, market, shopping mall, supermarket, factory, hotels, motels, inns, lodgings, restaurants, business center or any other place where he believes tobacco and any tobacco products are sold;</p>		<p>at any reasonable time enter and inspect any place where he/she believes tobacco and tobacco product is cultivated, harvested or manufactured, prepared, packaged, stored for distribution or for sale; any individual, shop, vendor, market, shopping mall, supermarket, factory, hotels, motels, inns, lodgings, restaurants, business center or any other place where he believes tobacco and any tobacco products are sold;</p>
<p>Section 43 (1) c)</p>	<p>at any check point open and examine any container or package</p>		<p>at any check point open and examine any container</p>

	that he/she believes contains tobacco and any tobacco products;		or package that he/she believes contains tobacco and any tobacco products;
Section 43 (1) e)	for the purpose of carrying out effective search operation, stop or detain any vehicle in which he/she believes that any tobacco product is being conveyed/imported,		for the purpose of carrying out effective search operation, stop or detain any vehicle in which he/she believes that any tobacco product is being conveyed/imported,
Section 47	The Board shall have the authority to impose fines on the offenders and may revise the fines (as given in the annexure) when necessary.		The Board shall have the authority to impose fines on the offenders and may revise the fines (as given in the annexure) when necessary.
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	Any person who contravenes section 11 (a) and (b) shall be punished with misdemeanor as per the Penal Code of Bhutan and pay a fine equivalent to a minimum of 12 months and maximum of 35 months of minimum wage.	Accepted NA's Amendment
Section 50A	Any person who contravenes section 11 (a) and (b) of this Act for the second time shall be	Any person who contravenes section 11 (a) and (b) of this Act for the	Accepted NA's Amendment

	punished with felony of fourth degree as per the Penal Code of Bhutan.	second time shall be punished with a felony of fourth degree as per the Penal Code of Bhutan.	
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	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	Accepted NA's Amendment
Annexure 1	Permissible quantity for import of tobacco or tobacco products per month: 1. 800 sticks of cigarettes; OR 2. 1200 sticks of bidis; OR 3. 150 pieces of cigars; OR 4. 750 grams of other tobacco or tobacco products.	Permissible quantity for import of tobacco or tobacco products per month: 1. 800 sticks of cigarettes; OR 2. 1200 sticks of bidis; OR 3. 150 pieces of cigars; OR 4. 750 grams of other tobacco or tobacco products.	Accepted NA's Amendment

ANNEXURE VII: Recommendations on Tax Bill of Bhutan 2021

Section	Original Clause	NA Amendment	NC Recommendation
	<p>Preamble An Act to revise the sales tax on tobacco and tobacco products; Parliament of the Kingdom of Bhutan do hereby enacts as follows:</p>	<p>Preamble An Act A Bill to revise the sales tax on tobacco and tobacco products; Parliament of the Kingdom of Bhutan do hereby enacts as follows:</p>	<p>Accepted National Assembly's amendment</p>
1	<p>Title This Act is the Tax Act of Bhutan 2021.</p>	<p>Title This Act Bill is the Tax-Act Bill of Bhutan 2021.</p>	<p>Accepted National Assembly's amendment</p>
2	<p>Commencement This Act comes into force on the day the Act is introduced by the Finance Minister in the National Assembly of Bhutan on.....Day of the.....Month of the Year corresponding to the.....Day of20....</p>	<p>Commencement This Act Bill comes into force on the day the Act is introduced by the Finance Minister in the National Assembly of Bhutan on.....Day of the.....Month of the Year corresponding to the.....Day of20....</p>	<p>Accepted National Assembly's amendment</p>
3	<p>Extent This Act extends to the whole of the Kingdom of Bhutan.</p>	<p>Extent This Act Bill extends to the whole of the Kingdom of Bhutan.</p>	<p>Accepted National Assembly's amendment</p>
4	<p>Expiry This Act shall expire on the day of the implementation of the Goods and Services Tax Act of Bhutan 2020.</p>	<p>Expiry This Act Bill shall expire on the day of the implementation of the Goods and Services Tax Act of Bhutan 2020.</p>	<p>Accepted National Assembly's amendment</p>

5	Revision of Sales Tax The sales tax rates for goods classified in Bhutan Trade Classification and Tariff schedule is revised as per Schedule 1.	Revision of Sales Tax The sales tax rates for goods classified in Bhutan Trade Classification and Tariff schedule is revised as per Schedule 1.	Accepted National Assembly's amendment
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SCHEDULE 1- REVISION OF SALES TAX

Heading	BTC Code		Commodity Description	Unit	(% except otherwise specified)		NC's Recommendations
					Sales Tax		
					Existing	Proposed	
24.01	Unmanufactured tobacco; tobacco refuse.						
	2401.10.00	-	Tobacco, not stemmed/stripped	KGM	100	0	Accepted
	2401.20.00	-	Tobacco, partly or wholly stemmed/stripped	KGM	100	0	Accepted
	2401.30.00	-	Tobacco refuse	KGM	100	0	Accepted
24.02	Cigars, cheroots, cigarillos and cigarettes, of tobacco or tobacco substitutes						
	2402.10.00	-	Cigars, cheroots and cigarillos, containing tobacco	NMB	100	0	Accepted
	2402.20.00	-	Cigarettes containing tobacco	NMB	100	0	Accepted
	2402.90.00		Other	NMB	100	0	Accepted

24.03	Other manufactured tobacco and manufactured tobacco substitutes; homogenized 'or' reconstituted						
		-	Smoking tobacco, whether or not containing tobacco substitutes in any proportion:				
	2403.11.00	-	Water pipe tobacco specified in subheading note 1 to this chapter	KGM	100	0	Accepted
	2403.19	--	Other			0	Accepted
	2403.19.10		Pipe tobacco	KGM	100	0	Accepted
	2403.19.20	---	Biri	NMB	100	0	Accepted
	2403.19.90	---	Other	KGM	100	0	Accepted
		-	Other:				
	2403.91.00	--	'homogenised' or 'reconstituted' tobacco	KGM	100	0	Accepted
	2403.99	--	Other				
	2403.99.10	---	Chewing tobacco(khani)	KGM	100	0	Accepted
	2403.99.20	---	Jarda scented tobacco	KGM	100	0	Accepted
	2403.99.30	---	Snuff	KGM	100	0	Accepted
	2403.99.40	---	Cut-tobacco	KGM	100	0	Accepted
	2403.99.90	---	Other	KGM	100	0	Accepted

ANNEXURE VIII: Voting Details

1. Adoption of Resolutions on the Follow-up Report of the RNR Marketing Policy

Date: 18/6/2021

Result: Passed **Yes:** 22 **No:** 0 **Abstain:** 0 **Total:** 22

Sl. No.	Name	Delegate	Voting
1.	Hon'ble Jigme Wangchuk	Delegate	Yes
2.	Hon'ble (Dasho) Tashi Wangyal	Delegate	Yes
3.	Hon'ble Tashi Wangmo	Delegate	Yes
4.	Hon'ble Phuntsho Rapten	Delegate	Yes
5.	Hon'ble Kesang Chuki Dorjee	Delegate	Yes
6.	Hon'ble Ugyen Tshering, EM	Delegate	Yes
7.	Hon'ble Pema Dakpa	Delegate	Yes
8.	Hon'ble Anand Rai	Delegate	Yes
9.	Hon'ble Surjaman Thapa	Delegate	Yes
10.	Hon'ble Ugyen Namgay	Delegate	Yes
11.	Hon'ble Karma Gyeltshen	Delegate	Yes
12.	Hon'ble Lhatu	Delegate	Yes
13.	Hon'ble Tirtha Man Rai	Delegate	Yes
14.	Hon'ble Choining Dorji	Delegate	Yes
15.	Hon'ble Dhan Kumar Sunwar	Delegate	Yes
16.	Hon'ble Lhaki Dolma	Delegate	Yes
17.	Hon'ble Ugyen Tshering	Delegate	Yes
18.	Hon'ble Tashi Samdrup	Delegate	Yes
19.	Hon'ble Tempa Dorji	Delegate	Yes
20.	Hon'ble Sangay Dorji	Delegate	Yes
21.	Hon'ble Sonam Pelzom	Delegate	Yes
22.	Hon'ble Tshewang Rinzin	Delegate	Yes

2. Ratification of the Agreement between the Government of the Kingdom of Bhutan and Green Climate Fund on the Privileges and Immunities of the Green Climate Fund

Date: 9/6/2021

Result: Passed **Yes:** 24 **No:** 0 **Abstain:** 0 **Total:** 24

Sl. No.	Name	Delegate	Voting
1.	Hon'ble Jigme Wangchuk	Delegate	Yes
2.	Hon'ble (Dasho) Tashi Wangyal	Delegate	Yes
3.	Hon'ble Tashi Wangmo	Delegate	Yes
4.	Hon'ble Phuntsho Rapten	Delegate	Yes
5.	Hon'ble Kesang Chuki Dorjee	Delegate	Yes
6.	Hon'ble Ugyen Tshering, EM	Delegate	Yes
7.	Hon'ble Pema Dakpa	Delegate	Yes
8.	Hon'ble Anand Rai	Delegate	Yes
9.	Hon'ble Surjaman Thapa	Delegate	Yes
10.	Hon'ble Dorji Khandu	Delegate	Yes
11.	Hon'ble Ugyen Namgay	Delegate	Yes
12.	Hon'ble Karma Gyeltshen	Delegate	Yes
13.	Hon'ble Lhatu	Delegate	Yes
14.	Hon'ble Tirtha Man Rai	Delegate	Yes
15.	Hon'ble Choining Dorji	Delegate	Yes
16.	Hon'ble Nima	Delegate	Yes
17.	Hon'ble Dhan Kumar Sunwar	Delegate	Yes
18.	Hon'ble Lhaki Dolma	Delegate	Yes
19.	Hon'ble Ugyen Tshering	Delegate	Yes
20.	Hon'ble Tashi Samdrup	Delegate	Yes
21.	Hon'ble Tempa Dorji	Delegate	Yes
22.	Hon'ble Sangay Dorji	Delegate	Yes
23.	Hon'ble Sonam Pelzom	Delegate	Yes
24.	Hon'ble Tshewang Rinzin	Delegate	Yes

3. Adoption of the Civil Society Organizations (Amendment) Bill of Bhutan 2021

Date: 17/6/2021

Result: Passed **Yes:** 21 **No:** 0 **Abstain:** 0 **Total:** 21

Sl. No.	Name	Delegate	Voting
1.	Hon'ble Jigme Wangchuk	Delegate	Yes
2.	Hon'ble (Dasho) Tashi Wangyal	Delegate	Yes
3.	Hon'ble Tashi Wangmo	Delegate	Yes
4.	Hon'ble Phuntsho Rapten	Delegate	Yes
5.	Hon'ble Kesang Chuki Dorjee	Delegate	Yes
6.	Hon'ble Ugyen Tshering, EM	Delegate	Yes
7.	Hon'ble Anand Rai	Delegate	Yes
8.	Hon'ble Ugyen Namgay	Delegate	Yes
9.	Hon'ble Karma Gyeltshen	Delegate	Yes
10.	Hon'ble Lhatu	Delegate	Yes
11.	Hon'ble Tirtha Man Rai	Delegate	Yes
12.	Hon'ble Choining Dorji	Delegate	Yes
13.	Hon'ble Nima	Delegate	Yes
14.	Hon'ble Dhan Kumar Sunwar	Delegate	Yes
15.	Hon'ble Lhaki Dolma	Delegate	Yes
16.	Hon'ble Ugyen Tshering	Delegate	Yes
17.	Hon'ble Tashi Samdrup	Delegate	Yes
18.	Hon'ble Tempa Dorji	Delegate	Yes
19.	Hon'ble Sangay Dorji	Delegate	Yes
20.	Hon'ble Sonam Pelzom	Delegate	Yes
21.	Hon'ble Tshewang Rinzin	Delegate	Yes

4. Adoption of the Proposal for Enactment of Civil Liability Act/Torts Act

Date: 18/6/2021

Result: Passed **Yes:** 22 **No:** 0 **Abstain:** 0 **Total:** 22

Sl. No.	Name	Delegate	Voting
1.	Hon'ble Jigme Wangchuk	Delegate	Yes
2.	Hon'ble (Dasho) Tashi Wangyal	Delegate	Yes
3.	Hon'ble Tashi Wangmo	Delegate	Yes
4.	Hon'ble Phuntsho Rapten	Delegate	Yes
5.	Hon'ble Kesang Chuki Dorjee	Delegate	Yes
6.	Hon'ble Ugyen Tshering, EM	Delegate	Yes
7.	Hon'ble Pema Dakpa	Delegate	Yes
8.	Hon'ble Anand Rai	Delegate	Yes
9.	Hon'ble Surjaman Thapa	Delegate	Yes
10.	Hon'ble Ugyen Namgay	Delegate	Yes
11.	Hon'ble Karma Gyeltshen	Delegate	Yes
12.	Hon'ble Lhatu	Delegate	Yes
13.	Hon'ble Tirtha Man Rai	Delegate	Yes
14.	Hon'ble Choining Dorji	Delegate	Yes
15.	Hon'ble Dhan Kumar Sunwar	Delegate	Yes
16.	Hon'ble Lhaki Dolma	Delegate	Yes
17.	Hon'ble Ugyen Tshering	Delegate	Yes
18.	Hon'ble Tashi Samdrup	Delegate	Yes
19.	Hon'ble Tempa Dorji	Delegate	Yes
20.	Hon'ble Sangay Dorji	Delegate	Yes
21.	Hon'ble Sonam Pelzom	Delegate	Yes
22.	Hon'ble Tshewang Rinzin	Delegate	Yes

**5. Adoption of the Goods and Services Tax (Amendment)
Bill of Bhutan 2021**

Date: 16/6/2021

Result: Passed **Yes:** 20 **No:** 0 **Abstain:** 0 **Total:** 20

Sl. No.	Name	Delegate	Voting
1.	Hon'ble Jigme Wangchuk	Delegate	Yes
2.	Hon'ble (Dasho) Tashi Wangyal	Delegate	Yes
3.	Hon'ble Tashi Wangmo	Delegate	Yes
4.	Hon'ble Phuntsho Rapten	Delegate	Yes
5.	Hon'ble Kesang Chuki Dorjee	Delegate	Yes
6.	Hon'ble Ugyen Tshering, EM	Delegate	Yes
7.	Hon'ble Surjaman Thapa	Delegate	Yes
8.	Hon'ble Ugyen Namgay	Delegate	Yes
9.	Hon'ble Karma Gyeltshen	Delegate	Yes
10.	Hon'ble Lhatu	Delegate	Yes
11.	Hon'ble Tirtha Man Rai	Delegate	Yes
12.	Hon'ble Choining Dorji	Delegate	Yes
13.	Hon'ble Nima	Delegate	Yes
14.	Hon'ble Dhan Kumar Sunwar	Delegate	Yes
15.	Hon'ble Lhaki Dolma	Delegate	Yes
16.	Hon'ble Ugyen Tshering	Delegate	Yes
17.	Hon'ble Tashi Samdrup	Delegate	Yes
18.	Hon'ble Tempa Dorji	Delegate	Yes
19.	Hon'ble Sangay Dorji	Delegate	Yes
20.	Hon'ble Tshewang Rinzin	Delegate	Yes

6. Adoption of the Customs Duty Bill of Bhutan 2021

Date: 16/6/2021

Result: Passed **Yes:** 18 **No:** 0 **Abstain:** 2 **Total:** 20

Sl. No.	Name	Delegate	Voting
1.	Hon'ble Jigme Wangchuk	Delegate	Yes
2.	Hon'ble (Dasho) Tashi Wangyal	Delegate	Yes
3.	Hon'ble Tashi Wangmo	Delegate	Yes
4.	Hon'ble Phuntsho Rapten	Delegate	Yes
5.	Hon'ble Kesang Chuki Dorjee	Delegate	Yes
6.	Hon'ble Ugyen Tshering, EM	Delegate	Yes
7.	Hon'ble Surjaman Thapa	Delegate	Yes
8.	Hon'ble Ugyen Namgay	Delegate	Yes
9.	Hon'ble Karma Gyeltshen	Delegate	Abstain
10.	Hon'ble Lhatu	Delegate	Yes
11.	Hon'ble Tirtha Man Rai	Delegate	Yes
12.	Hon'ble Choining Dorji	Delegate	Yes
13.	Hon'ble Nima	Delegate	Yes
14.	Hon'ble Dhan Kumar Sunwar	Delegate	Yes
15.	Hon'ble Lhaki Dolma	Delegate	Yes
16.	Hon'ble Ugyen Tshering	Delegate	Yes
17.	Hon'ble Tashi Samdrup	Delegate	Abstain
18.	Hon'ble Tempa Dorji	Delegate	Yes
19.	Hon'ble Sangay Dorji	Delegate	Yes
20.	Hon'ble Tshewang Rinzin	Delegate	Yes

7. Adoption of the National Budget for the Financial Year 2021-22

Date: 17/6/2021

Result: Passed **Yes:** 21 **No:** 0 **Abstain:** 0 **Total:** 21

Sl. No.	Name	Delegate	Voting
1.	Hon'ble Jigme Wangchuk	Delegate	Yes
2.	Hon'ble (Dasho) Tashi Wangyal	Delegate	Yes
3.	Hon'ble Tashi Wangmo	Delegate	Yes
4.	Hon'ble Phuntsho Rapten	Delegate	Yes
5.	Hon'ble Kesang Chuki Dorjee	Delegate	Yes
6.	Hon'ble Ugyen Tshering, EM	Delegate	Yes
7.	Hon'ble Anand Rai	Delegate	Yes
8.	Hon'ble Ugyen Namgay	Delegate	Yes
9.	Hon'ble Karma Gyeltshen	Delegate	Yes
10.	Hon'ble Lhatu	Delegate	Yes
11.	Hon'ble Tirtha Man Rai	Delegate	Yes
12.	Hon'ble Choining Dorji	Delegate	Yes
13.	Hon'ble Nima	Delegate	Yes
14.	Hon'ble Dhan Kumar Sunwar	Delegate	Yes
15.	Hon'ble Lhaki Dolma	Delegate	Yes
16.	Hon'ble Ugyen Tshering	Delegate	Yes
17.	Hon'ble Tashi Samdrup	Delegate	Yes
18.	Hon'ble Tempa Dorji	Delegate	Yes
19.	Hon'ble Sangay Dorji	Delegate	Yes
20.	Hon'ble Sonam Pelzom	Delegate	Yes
21.	Hon'ble Tshewang Rinzin	Delegate	Yes

8. Adoption of the Tobacco Control (Amendment) Bill of Bhutan 2021

Date: 28/6/2021

Result: Passed **Yes:** 21 **No:** 1 **Abstain:** 1 **Total:** 23

Sl. No.	Name	Delegate	Voting
1.	Hon'ble Jigme Wangchuk	Delegate	Yes
2.	Hon'ble (Dasho) Tashi Wangyal	Delegate	Yes
3.	Hon'ble Tashi Wangmo	Delegate	Yes
4.	Hon'ble Phuntsho Rapten	Delegate	Yes
5.	Hon'ble Kesang Chuki Dorjee	Delegate	Yes
6.	Hon'ble Ugyen Tshering, EM	Delegate	Yes
7.	Hon'ble Pema Dakpa	Delegate	Yes
8.	Hon'ble Anand Rai	Delegate	Yes
9.	Hon'ble Surjaman Thapa	Delegate	Yes
10.	Hon'ble Dorji Khandu	Delegate	No
11.	Hon'ble Ugyen Namgay	Delegate	Yes
12.	Hon'ble Karma Gyeltshen	Delegate	Yes
13.	Hon'ble Lhatu	Delegate	Yes
14.	Hon'ble Tirtha Man Rai	Delegate	Yes
15.	Hon'ble Choining Dorji	Delegate	Yes
16.	Hon'ble Nima	Delegate	Yes
17.	Hon'ble Dhan Kumar Sunwar	Delegate	Yes
18.	Hon'ble Lhaki Dolma	Delegate	Yes
19.	Hon'ble Ugyen Tshering	Delegate	Yes
20.	Hon'ble Tashi Samdrup	Delegate	Yes
21.	Hon'ble Tempa Dorji	Delegate	Abstain
22.	Hon'ble Sangay Dorji	Delegate	Yes
23.	Hon'ble Sonam Pelzom	Delegate	Yes

9. Adoption of the Tax Bill of Bhutan 2021

Date: 28/6/2021

Result: Passed **Yes:** 21 **No:** 1 **Abstain:** 1 **Total:** 23

Sl. No.	Name	Delegate	Voting
1.	Hon'ble Jigme Wangchuk	Delegate	Yes
2.	Hon'ble (Dasho) Tashi Wangyal	Delegate	Yes
3.	Hon'ble Tashi Wangmo	Delegate	Yes
4.	Hon'ble Phuntsho Rapten	Delegate	Yes
5.	Hon'ble Kesang Chuki Dorjee	Delegate	Yes
6.	Hon'ble Ugyen Tshering, EM	Delegate	Yes
7.	Hon'ble Pema Dakpa	Delegate	Yes
8.	Hon'ble Anand Rai	Delegate	Yes
9.	Hon'ble Surjaman Thapa	Delegate	Yes
10.	Hon'ble Dorji Khandu	Delegate	No
11.	Hon'ble Ugyen Namgay	Delegate	Yes
12.	Hon'ble Karma Gyeltshen	Delegate	Yes
13.	Hon'ble Lhatu	Delegate	Yes
14.	Hon'ble Tirtha Man Rai	Delegate	Yes
15.	Hon'ble Choining Dorji	Delegate	Yes
16.	Hon'ble Nima	Delegate	Yes
17.	Hon'ble Dhan Kumar Sunwar	Delegate	Yes
18.	Hon'ble Lhaki Dolma	Delegate	Yes
19.	Hon'ble Ugyen Tshering	Delegate	Yes
20.	Hon'ble Tashi Samdrup	Delegate	Yes
21.	Hon'ble Tempa Dorji	Delegate	Abstain
22.	Hon'ble Sangay Dorji	Delegate	Yes
23.	Hon'ble Sonam Pelzom	Delegate	Yes

ANNEXURE IX: Chairpersons, Deputy Chairpersons and Members of the Standing Committees

Sl. No.	Committee	Chairperson	Deputy Chairperson	Members
1.	House Committee	Hon'ble Jigme Wangchuk	Hon'ble Phuntsho Rabten	Hon'ble Anand Rai Hon'ble Ugyen Namgay Hon'ble Tirtha Man Rai Hon'ble Sangay Dorji Hon'ble Dhan Kumar Sunmar
2.	Legislative Committee	Hon'ble Phuntsho Rabten	Hon'ble Ugyen Tshering (EM)	Hon'ble Choining Dorji Hon'ble Tempa Dorji Hon'ble Dhan Kumar Sunwar
3.	Economic Affairs Committee	Hon'ble Anand Rai	Hon'ble Ugyen Tshering	Hon'ble (Dasho) Tashi Wangyal Hon'ble Jigme Wangchuk
4.	Social and Cultural Affairs Committee	Hon'ble Ugyen Namgay	Hon'ble Lhaki Dolma	Hon'ble Kesang Chuki Dorjee Hon'ble Sonam Pelzom Hon'ble Tshewang Rinzin
5.	Natural Resources and Environment Committee	Hon'ble Tirtha Man Rai	Hon'ble Dorji Khandu	Hon'ble Tashi Samdrup Hon'ble Karma Gyeltshen Hon'ble Pema Dakpa
6.	Good Governance Committee	Hon'ble Sangay Dorji	Hon'ble Surjaman Thapa	Hon'ble Tashi Wangmo Hon'ble Nima Hon'ble Lhatu
7.	Foreign Relations Committee	Hon'ble Dhan Kumar Sunwar	Hon'ble Tashi Samdrup	Hon'ble (Dasho) Tashi Wangyal Hon'ble Lhatu

ANNEXURE X: Hon'ble Members of the National Council

1. His Excellency Tashi Dorji, Chairperson, Wangduephodrang Dzongkhag
2. Hon'ble Jigme Wangchuk, Deputy Chairperson, Samdrup Jongkhar Dzongkhag
3. Hon'ble (Dasho) Tashi Wangyal, His Majesty's Nominee
4. Hon'ble Tashi Wangmo, His Majesty's Nominee
5. Hon'ble Phuntsho Rapten, His Majesty's Nominee
6. Hon'ble Kesang Chuki Dorjee, His Majesty's Nominee
7. Hon'ble Ugyen Tshering, His Majesty's Nominee
8. Hon'ble Nima, Bumthang Dzongkhag
9. Hon'ble Sangay Dorji, Chhukha Dzongkhag
10. Hon'ble Surjaman Thapa, Dagana Dzongkhag
11. Hon'ble Dorji Khandu, Gasa Dzongkhag
12. Hon'ble Ugyen Namgay, Haa Dzongkhag
13. Hon'ble Tempa Dorji, Lhuentse Dzongkhag
14. Hon'ble Sonam Pelzom, Mongar Dzongkhag
15. Hon'ble Ugyen Tshering, Paro Dzongkhag
16. Hon'ble Choining Dorji, Pemagatshel Dzongkhag
17. Hon'ble Lhaki Dolma, Punakha Dzongkhag
18. Hon'ble Tirtha Man Rai, Samtse Dzongkhag
19. Hon'ble Anand Rai, Sarpang Dzongkhag
20. Hon'ble Karma Gyeltshen, Tashiyangtse Dzongkhag
21. Hon'ble Tshewang Rinzin, Thimphu Dzongkhag
22. Hon'ble Lhatu, Trashigang Dzongkhag
23. Hon'ble Tashi Samdrup, Trongsa Dzongkhag
24. Hon'ble Dhan Kumar Sunwar, Tsirang Dzongkhag
25. Hon'ble Pema Dakpa, Zhemgang Dzongkhag