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**Tenancy Rules and Regulations
of the
Kingdom of Bhutan, 2018**



དཔལ་ལྷན་འབྲུག་གཞུང་། འབས་ཏོག་ལྷན་ཁག།
ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF WORKS AND HUMAN SETTLEMENT



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MINISTER

FOREWORD

Tenancy and its related issues are on the rise with rapid development and unequal rise in supply and demand of rental units. While the Tenancy Act of Bhutan, 2015 addresses most of the tenancy issues, there exist lacunas such as lack of clear procedures for tenancy dispute settlement, monitoring of and regulating tenancy related matters.

In keeping with the section 126 and the spirit of the Tenancy Act, the Ministry of Works and Human Settlement has come up with this Tenancy Rules and Regulations of the Kingdom of Bhutan, 2018 to address the gaps and to implement the Tenancy Act, effectively.

With this Rules and Regulations in place, the Ministry hopes to streamline the tenancy system in the country and foster peace and harmony in the society.

Tashi Delek

(Dorji Choden)

MINISTER

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Preamble

In exercise of the power conferred under section 126 of the Tenancy Act of Bhutan, 2015, the Ministry of Works and Human Settlement hereby adopts and promulgates the Tenancy Rules and Regulations of the Kingdom of Bhutan, 2018 as follows:

Chapter I

Preliminary

Short title, extent and commencement

1. This Rules and Regulations shall:
 - (a) be called the Tenancy Rules and Regulation of the Kingdom of Bhutan 2018;
 - (b) extend to the whole of kingdom of Bhutan; and
 - (c) come into force on 4th Day, of the First Month of the Earth Male Dog Year of the Bhutanese calendar corresponding to the 19th day of February 2018.

Chapter II

Tenancy Authority and Tenancy Implementing Agency

2. In accordance with Section 4 of the Act, a Division under Department of Human Settlement, Ministry of Works and Human Settlement shall be the Tenancy Authority. The Department of Human Settlement shall establish the Division responsible for Tenancy Authority.
3. The Tenancy Authority shall:
 - (a) Maintain a database of Tenancy disputes adjudicated by the Tenancy Implementing Agencies;
 - (b) Maintain and monitor the web based tenancy services;
 - (c) Seek tenancy issues and disputes report from Tenancy Implementing Agencies as and when required;
 - (d) Monitor all other tenancy issues not covered under this Rules and Regulations;

- (e) Support capacity building of the Tenancy Implementing Agencies;
 - (f) Provide/carry out awareness of the Act and its Rules and Regulations at the national level;
 - (g) Issue guidelines for implementation of the Act and the Rules and Regulations;
 - (h) Carry out research and studies related to Tenancy;
 - (i) Carry out other functions in accordance with section 6 of the Act and as may be prescribed by the Ministry from time to time.
4. The Dzongkhags, Thromdes and Gewogs shall be the Tenancy Implementing Agencies within their respective jurisdiction, responsible for the implementation and administration of the Act and this Rules and Regulations.
5. The Tenancy Implementing Agency shall:
- (a) Implement the provisions of the Act and this Rules and Regulations effectively;
 - (b) Create awareness of the Act and its Rules and Regulations to the general public within their own jurisdiction;
 - (c) Seek advice and clarification from the Tenancy Authority on the provisions of tenancy laws;
 - (d) Form Dispute Settlement Committee to function within their jurisdiction;
 - (e) Seek support from competent Authorities during proceedings and enforcement as and when required;
 - (f) Carry out research and studies related to Tenancy within their jurisdiction;
 - (g) Carry out such other functions in accordance with section 7 of the Act and as may be prescribed by the Tenancy Authority.

Chapter III

Tenancy

Tenancy agreement

6. The Tenancy agreement shall be prepared in accordance with sections 9 to 12 of the Act.
7. Tenancy agreement shall include and not limited to the following;
 - (a) The full name and contact address of the parties;
 - (b) Details of the rental unit;
 - (c) The date of the Tenancy Agreement;
 - (d) The date of the commencement of the tenancy;
 - (e) Duration of the Tenancy;
 - (f) Security deposit paid;
 - (g) The purpose of the Tenancy;
 - (h) The rent payable;
 - (i) The frequency of the rent payments;
 - (j) List and conditions of any chattels provided by the owner;
 - (k) Any other specifically prohibited or permitted activity on the property by the owner; and
 - (l) A completed entry condition inspection.
8. No person shall, let or take on rent any premises except by an agreement in writing.
9. The owner shall lead and execute tenancy agreement in three originals copies. One copy for each party and third copy shall be submitted to the Tenancy Implementing Agency by the owner within two weeks from the date of execution of agreement.

10. Failure to comply section 11 of the Act and section 9 of this Rules and Regulations shall be liable to pay fine equivalent to one month rent.
11. Where, in relation to a tenancy created before the commencement of the Act and this Rules and Regulations -
 - (a) an agreement in writing was already entered into it shall be submitted to the Tenancy Implementing Agency;
 - (b) no agreement in writing was entered into, the owner and the tenant shall enter into an agreement in writing with regard to that tenancy, and the owner shall submit to the Tenancy Implementing Agency.
12. The Tenancy Implementing Agency shall register, upload in the Tenancy Services System and provide a registration number to the parties upon receiving a copy of tenancy agreement.
13. A tenancy agreement shall not contain a term that makes due all or part of the rent payable for the remainder of the period of the tenancy if a term of the tenancy agreement is breached.
14. The applicable relevant rights and duties of the owner and tenant under the tenancy agreement shall take effect from the date the tenancy agreement is entered into irrespective of whether or not the tenant occupies the premises.
15. Any other terms or conditions under the tenancy agreement shall be executed as per the Act and this Rules and Regulations.

Tenancy duration and renewal

16. Tenancy duration shall be determined between the owner and the tenant and specify in the tenancy agreement.
17. The tenant may approach the owner for renewal of the tenancy as per the section 82 of the Act. Any renewal of the tenancy agreement shall be deem as a new agreement and shall therefore comply with section 9 of this Rules and Regulations.

Restriction on sub-letting

18. No tenant shall without the consent in writing of the owner –

- (a) Sublet whole or part of the premises held by him as a tenant;
 - (b) Transfer or assign his rights in the tenancy agreement or any part thereof.
19. Where the premises are sublet as per section 18 of this Rules and Regulations, the tenant and the sub-tenant shall enter into an agreement in line with the tenancy agreement drawn between the owner and the tenant.

Replacement of Tenant

20. No tenant shall without the consent in writing of the owner replace himself during the subsistence of the tenancy.
21. Where the tenant is replaced as per section 20 of the Rules and Regulations, the new tenant and the owner shall enter into tenancy agreement as per the Act and this Rules and Regulations.

Succession on death

22. Succession of rental unit shall be in accordance with section 17 of the Act.
23. The succession date shall be the date of death, no new tenancy is created and the successor shall succeed the existing tenancy.
24. If two or more successor claims to succeed the tenancy during the subsistence of tenancy, the right of tenancy/lessee shall devolve upon members of the tenant's family in the following order:
- (a) Spouse;
 - (b) Children;
 - (c) Parents; and
 - (d) Any other members of the family.

Continuance of tenancy

25. If the tenant leaves for study or overseas employment during the subsistence of the tenancy, the tenant shall in writing notify the owner specifying his intention to continue the tenancy.
26. The notification to the owner shall include but not limited to the following:
 - (a) Details of the tenants representative; and
 - (b) Mode of rent payment;
27. The tenant shall be liable for any act done by the representative.

Chapter IV

Rent

Rent payable

28. The amount of rent and payment shall be in accordance with section 19 to 24 of the Act.
29. Where the rent is paid, the owner who receives the payment shall forthwith give to the tenant a written receipt, signed by that person showing;
 - (a) The address of the rental unit to which the payment relates;
 - (b) The amount and nature of the payment;
 - (c) The date of the payment; and
 - (d) The name of the payer.
30. If the owner fails to acknowledge the payment of rent, the tenant may file a complaint to Dispute Settlement committee within one week from the date of payment.

Revision of rent

31. The rent may be increased in accordance with the section 25 to 27 of the Act with the following conditions;

- (a) A notice shall be served to the tenant in three months' advance for increasing the rent;
 - (b) The notice shall contain the amount and the percentage of the increased rent;
 - (c) The notice shall specify the month from which the increased rent shall take effect;
 - (d) The tenant shall submit his reservation on rent increment within 10 working days after receiving the notice; and
 - (e) The rent shall not be increased before two years from the date of last rent increment or from the day of which a tenant occupies the house and the increment shall not exceed 10% of the monthly rent.
32. If a tenant, who has been given notice of an intended rent increase under section 32, fails to give the owner notice of termination of tenancy, the tenant shall be deemed to have accepted the rent increase proposed by the owner.
33. During the subsistent of tenancy if there has been decrease or diminution or deterioration of rental unit or essential services, the tenant may claim a reduction in the rent.
34. The owner may either restore the premises and the essential services or agree for a reduction in rent.
35. If the owner fails to comply with section 34 of this Rules and Regulations, the tenant may approach the Tenancy Implementing Agency for an order for rent reduction until restoration.
36. If the owner fails to comply with section 31 of this Rules and Regulations, the increased amount collected shall be refunded with 24 % interest per annum to the tenant.
37. For the purpose of section 36, it shall be calculated from the day it is collected till the amount is refunded.
38. An application may be filed by either party to Dispute Settlement Committee for the settlement of dispute related to rent revision.
39. On application made by the party, the Dispute Settlement Committee may assert, approve, increase or reduce the proposed revision as the committee thinks fit.

40. The owner shall not charge fees from any person for the following;
- (a) Receiving applications for a tenancy;
 - (b) Processing the applications;
 - (c) Investigating the applicant's suitability as a tenant; or
 - (d) Accepting the person as a tenant.

Chapter V

Security deposit

41. The security deposit shall be in accordance with section 30 to 34 of the Act which shall be paid during the time of signing the agreement.
42. If the amount of security deposit exceed more than two months' rent:
- (a) A fine of exceeded amount shall be imposed on the owner, if the owner demanded the security deposit exceeding more than two months' rent; and
 - (b) A fine of exceeded amount shall be imposed separately on both the Tenant and owner if the tenant offered security deposit exceeding more than two months rent.
43. The security paid shall be acknowledged with receipt. This receipt shall have the evidentiary value in time of disputing the payment of security deposit.
44. Where any person pays to the owner, or to any other authorized person/property manager on behalf of the owner, any amount by way of security deposit, that person who receives the payment shall give to the payer a written and signed receipt showing;
- (a) The address of the rental unit to which the payment relates;
 - (b) The amount and nature of the payment;
 - (c) The date of the payment; and
 - (d) The name of the payer.

45. The owner shall not do any of the following;
- (a) Require a security deposit at any time other than when the parties enter into a tenancy agreement;
 - (b) Require or accept more than one security deposit in respect of a tenancy agreement;
 - (c) Require or include as a term of a tenancy agreement that the owner automatically keeps all or part of the security deposit at the end of the tenancy;
46. Unless the owner gives written consent, tenant shall not apply a security deposit as rent.

Refund of Security Deposit

47. The owner shall return security deposit at the time of exit upon deducting the damages if any as per the Act and this Rules and Regulations.
48. If the owner files an application to the Dispute Settlement Committee, making a claim against the security deposit, refund of security deposit is set aside till the findings of the committee.
49. If the owner refuses to pay back the security deposit at the time of exit, the tenant shall claim security deposit through Dispute Settlement Committee within two month from the date of the exit, failing which the tenant waives his right thereafter.
50. The owner waives his right to claim against security deposit for damage to the rental unit and property thereof if the owner fails to fulfill any of the conditions set out under the entry and exit condition.
51. The owner may retain from the security deposit an amount that:
- (a) The Dispute Settlement Committee has previously judged the tenant to pay to the owner and at the end of the tenancy remains unpaid;
 - (b) The tenant agrees in writing that the owner may retain to pay a liability or obligations of the tenants;

- (c) The Dispute Settlement Committee orders the tenant to pay to owner after the end of tenancy;
 - (d) for damages caused from tenants negligence.
52. If the owner withholds all or part of the security deposit without any of those reasons set out under section 51, then the owner shall be liable to pay the tenant the amount of the security deposit withheld with compensation at the rate of 24 % per annum.

Chapter VI

Obligations of owner and tenant

Execution of agreement

53. The owner and the tenant shall enter into tenancy agreement in accordance with the Act and this Rules and Regulations.
54. The owner shall register tenancy agreement with the Tenancy Implementing Agency within two weeks from the date of execution of the agreement.

Rent payment receipt

55. The owner shall provide written receipt upon receiving payment of rent or security deposit or other charges from the tenant.
56. Both the parties shall retain receipt for record and future reference.

Duty of owner to hand over the rental unit

57. The owner shall handover the rental unit to the tenant upon signing the tenancy agreement.
58. The owner shall disclose any material defects associated with the rental unit and accordingly enter in the entry condition report.
59. The owner shall keep the rental units safe or fit for living and produce livable certificate obtained from the appropriate authority.

Repair and maintenance of property

60. Notwithstanding any condition in the agreement, the owner and the tenant shall be bound to keep the premises in good condition as at the commencement of the tenancy;
- (a) Owner shall be responsible for repair and maintenance of normal wear and tear to the property/premises including damages caused by natural calamities;
 - (b) Owner shall be responsible for maintenance and repair of essential services.
 - (c) Tenant shall be responsible for repair and maintenance of damages caused to the property/premises by his negligence.
61. For the common facilities shared among the tenants or with the owner the respective responsibilities of each tenant and owner shall be specified in the Tenancy Agreement.
62. If the tenants' refused to carry out the repair for the damages caused by his negligence, the owner shall get the repairs done upon assessment of the damages and claim reimbursement from the tenant.
63. If the owner refuses to carry out repairs other than damages caused by tenants negligence, the tenant shall notify the owner and repair the damage. The tenant shall submit the bills of the actual cost incurred for repair and notify the owner for reimbursement.
64. The owner shall reimburse the cost incurred for the repair. If the owner refuses to reimburse, the cost of repair may be deducted from rent until the cost of repair is recovered.
65. The owner has refused to carry out the required repairs and left the unit inhabitable upon the written notice of repair by the tenant, the tenant may abandon the unit after giving owner fifteen days' notice in writing or by approaching the Tenancy Implementing Agency.

Obligation over premises

66. During the tenancy, the tenant shall -
- (a) not intentionally or negligently damage the premises or permit such damage;
 - (b) notify the owner of any damage as soon as possible; and

- (c) take reasonable care of the premises and its contents except normal wear and tear and beyond tenant control.

- 67. The owner shall keep all common areas safe, clean and free from hazards.
- 68. The owner shall not interrupt or discontinue the essentials service and facilities enjoyed by the tenants.
- 69. The tenants shall inform the owner about the known fact, on which the tenant has and the owner has no knowledge, any danger likely to happen to the rental unit or premises.

Alteration of structure

- 70. The tenant shall not alter the structure of the rental unit or premises without the consent of the owner.
- 71. Unless otherwise agreed between the parties, the owner shall reimburse the cost incurred in altering the structure of the rental unit.

Entry with notice

- 72. A owner or the property manager may enter a premises in accordance with written notice or any other means of record given to the tenant at least one week before the time of entry under the following circumstances:
 - (a) to carry out repairs or maintenance of rental unit or premises;
 - (b) to carry out an inspection of the premises or rental unit for the purpose of determining whether the premises is in a habitable state; and
 - (c) for any other reasonable reason for entry specified in the Tenancy Agreement.
- 73. The written notice shall specify the reason for entry, the day and time of entry between 9.00 am to 5.00 pm unless otherwise agreed between the parties.
- 74. The owner or the property manager may enter the rental unit without notice in case of emergency.

Information about the property manager

75. If the owner appoints a property manager, the owner shall provide tenant the following information -
- (a) property manager's name;
 - (b) the proof that he is agent of the owner and employed by the owner;
 - (c) if the property manager is a company, name of the company, employee who can be contacted in relation to the tenancy agreement etc.
76. The powers and functions of the property manager may be determined through power of attorney or any other legal instrument.

Cutting off or withholding essential services

77. No owner or tenant either by himself or through any person shall cut-off or withhold any essentials service in the premises occupied by the tenant.
78. If the owner or tenant contravene section 77 and on application from the tenant or the owner, as the case may be, the Dispute Settlement Committee after examining the matter may pass an interim order directing the restoration of supply of essential services immediately pending the inquiry for further proceedings in accordance section 79.
79. The Dispute Settlement Committee shall conduct an inquiry against the application made by the owner or the tenant, as the case may be, and complete the inquiry within 10 days of filing of such application.
80. The Dispute Settlement Committee may levy a penalty on the person responsible for cutting off or withholding the essential supply as per the applicable laws.

Chapter VII

Entry and Exit

Entry condition

81. The tenant shall enter the rental unit upon execution of the agreement.
82. The owner and tenant shall prepare a joint entry condition report.
83. The owner shall declare any material defects and the tenant shall verify conditions before taking possession of the unit.
84. The owner shall give possession of the rental unit upon execution of agreement and perform his obligations as per the Act and this Rules and Regulations.

Exit Conditions

85. The exit shall be made on the last date of the month of the date where tenancy ends or as agreed by the parties.
86. The owner and the tenant shall prepare a joint exit condition report.
87. Any obligation thereof to parties shall be performed on this last date.
88. The assessment of any damage to the property shall be assessed thereof, and any disputed assessment may be settled through the application to Dispute Settlement Committee.
89. Unless the parties otherwise agree, the tenant shall vacate or leave the rental unit before midnight of the date the tenancy ends.
90. The tenant shall clear and produce no due certificate for all the availed utility service charges, before exiting from the rental unit.
91. When a tenant vacates the rental unit, the tenant shall:
 - (a) In the presence of the two independent witnesses hand over the property to owner or his authorized person as per the entry condition report.
 - (b) Remove all his goods from the rental unit;

- (c) Leave the rental unit in a reasonably clean and reasonably tidy condition, and remove or arrange for the removal from the rental unit of all rubbish;
- (d) Return to the owner all keys, security or pass cards or other such devices provided by the owner for the use of tenant; and
- (e) Leave in or at the rental unit all other chattels provided by the owner for the use of the tenant.

Entry and Exit condition report

- 92. The owner and the tenant in presence of two independent witnesses shall prepare a joint entry condition report during the handing taking of the rental unit.
- 93. The owner and the tenant in presence of two independent witnesses shall prepare a joint exit report upon surrendering the rental unit by the tenant or eviction by the owner.
- 94. The entry and exit condition report shall spell out in details the existing condition of the entire fixture and the condition of the rental unit.
- 95. The owner and tenant shall complete both the entry and exit condition report as per schedule II of the Act, immediately before and after the tenancy respectively, unless the parties agree on a different time.
- 96. The parties to the Tenancy shall attempt in good faith to mutually agree on a date and time for the condition inspection.
- 97. The owner shall offer the tenant at least two opportunities for the inspection, and allow the tenant to propose a time which must be given due consideration.
- 98. If the owner having satisfied section 96 and 97 still cannot meet with the tenant for a condition inspection, the owner may complete the condition inspection without the tenant and give the tenant a copy of the signed condition inspection report.
- 99. The entry and exit condition report completed in accordance with this chapter shall have the evidentiary value during the dispute resolution proceedings, to prove and ascertain the state

and condition of rental unit and its parts thereof on the date of inspection, unless either party has preponderance of evidence to the contrary.

Chapter VIII

Abandonment of Rental Unit and Personal Property

100. A rental unit is deemed to have been abandoned on the occurrence of any of the following circumstances:
- (a) If the tenant fails to pay the rent for two consecutive months and fails to communicate to the owner about his whereabouts; or
 - (b) In the event when the tenant left the rental unit permanently without any notice to owner; or
 - (c) That the owner has sufficient evidence to prove that the tenant permanently left the rental unit; or
 - (d) By written notification the tenant states his intention is not to return to the rental unit.
101. A property is deemed to have been abandoned on the occurrence of any of the following circumstances:
- (a) Personal property found in the abandoned rental unit; or
 - (b) If the goods are left behind in the rental unit after the end of the tenancy.

Possession of the abandoned rental unit by the owner

102. If the rental unit is abandoned as per section 100 of this Rules and Regulation, the owner shall take possession of the abandoned rental unit by making an application to the Dispute Settlement Committee within one week from the date from confirming the abandonment of rental unit.
103. On receiving the application, the Dispute Settlement Committee shall verify the facts by putting reasonable effort to contact with the tenant, his family to confirm abandonment within 5 working days and proceed to break through the locked door or gate of the abandoned rental unit.

104. The Dispute Settlement Committee shall seal the door or gate in the presence of the owner and the seal shall be officially broken during investigating the rental unit.
105. The owner shall make sure that the seal is not tempered till the investigation. If the seal is broken, it shall be dealt in accordance with the relevant laws in force.
106. The Dispute Settlement Committee shall break through the door or gate only in the presence of the owner and list out the abandoned goods.
107. The owner shall at the time of possessing the abandoned rental unit, in the presence of officials appointed by the Dispute Settlement Committee, fill the exit condition report and possess the rental unit.
108. The Dispute Settlement Committee shall seek the help from Royal Bhutan Police as and when required to provide security to the Dispute Settlement Committee to carry out their duties safely.
109. During the breaking of locks, if illegal goods or dangerous goods are found in the rental unit the official shall inform the police or competent authority for necessary action.

Storage of the abandoned properties

110. Any goods which are non-perishable in nature shall be stored safely by the owner for a period of two months.
111. The owner shall feed and take care of the abandoned animals for a period of 2 weeks.

Disposal of abandoned properties

112. The disposal of the abandoned properties shall be as follows;
 - (a) The Dispute Settlement Committee in the presence of the owner shall dispose the goods which are in perishable nature during investigation.
 - (b) If the tenant fails to claim the non-perishable goods or animals within the stipulated time, the Dispute Settlement Committee shall give written approval to the owner on receiving written request, to dispose the goods.

- (c) The disposal of the abandoned properties shall be done in a commercially reasonable manner.
- (d) Expenditure for disposing, storing and feeding animals shall be refunded by the tenant. If the tenant is not found the expenditure shall be met from the sale of the goods and animals.
- (e) The owner may use the money from the sale to pay for the costs of storage, transport, and sale of the goods, and any residual must then be returned to the tenant.
- (f) Where, through reasonable effort the owner cannot find the tenant, the residual amount shall be paid to tenants nearest family.
- (g) If both the tenants and his family members are not found, the residual amount shall be deposited in the governments' account through Tenancy Authority.
- (h) The tenant shall have no right after the stipulated time whatsoever to make claim for goods and animals and for that matter Dispute Settlement Committee agency shall not entertain the tenants claim.

Possession of abandoned properties by the tenant

- 113. The tenant or person having interest over the abandoned properties shall have the right to claim the abandonment properties within the stipulated time.
- 114. The tenant or person shall make an application to the Dispute Settlement Committee for the possession of the goods which are non-perishable in nature or animals.
- 115. The Dispute Settlement Committee shall upon receiving the application authorize or refuse the claim based on the merits of the case.
- 116. Before taking possession of the goods or animals, the tenant or person having interest must pay to the owner all costs incurred in storing and transporting the goods before those goods are handed over to the claimant.

Chapter IX

Notice

117. Any notice shall be served in accordance with section 75 to 90 of the Act.
118. Any notice under this Rules and Regulations shall be served;
- (a) in the presence of two independent witness; or
 - (b) through email id reflected in the rental agreement; or
 - (c) through any other electronic means of communication; or
 - (d) to the postal address through postal service; or
 - (e) posted on the door of the dwelling unit.
119. The notice may be served to any family member or dependent of a tenant when the party is not reasonably found.
120. Any reservation on the notice shall be communicated within seven days.
121. A notice to end a tenancy shall include:
- (a) sign and date of the party who serve the notice;
 - (b) details of the party to whom it is served;
 - (c) address of the premises/land;
 - (d) State the effective date of the notice; and
 - (e) State the grounds for ending the tenancy.
122. Any party who served the notice shall have the right to withdraw the notice before the date it becomes effective.

Chapter X

Dispute Settlement Committee

Constitution of Dispute Settlement committee

123. There shall be a Dispute Settlement Committee established in every Tenancy Implementing Agency in accordance with chapter IX of the Act.
124. The committee shall be formed upon the written executive order by the chairperson of Dispute Settlement Committee.
125. The Legal Personnel of the concerned Tenancy Implementing Agency shall serve as the member secretary or registrar of the dispute settlement committee, in absence of the legal personnel any person designated by the chairperson.
126. Role and responsibilities of the member secretary shall be, but not limited to:
- (a) Register the dispute;
 - (b) Coordinate committee hearing;
 - (c) Keep minutes;
 - (d) Coordinate with the parties;
 - (e) Summon parties and documents pertaining to the dispute;
 - (f) Enforce the decision of the committee;
 - (g) Implement Tenancy Services System; and
 - (h) Any other secretariat work as may be prescribed by the Committee.
127. A minimum of three members shall be present to form the quorum including chairperson or deputy chairperson.
128. Deputy chairperson shall be:
- (a) Dzongrab for Dzongkhags;

(b) Executive Secretary for Thromde's; and

(c) Gewog Administrative Officer for Gewog.

129. The Dispute Settlement Committee shall have the authority to adjudicate all Tenancy disputes within their jurisdiction.

Registration of dispute

130. The member secretary of the committee shall register the disputes when filed by the complainant with application in person or through online services maintained by the tenancy authority.

131. Upon registering the dispute, the member secretary shall then give each party the reasonable notice of time, place and purpose of the hearing to be held.

132. The notice of the hearing shall be in writing and include the following;

(a) a statement of such particulars as will fairly inform the party to whom it is given of the substance of the matters to be dealt with at the hearing;

(b) a reference to the relevant provisions of the Act or Rules and Regulations of which the hearing will be held;

(c) a statement of where information on the procedure of the committee may be obtained;
and

(d) a statement warning each party to whom the notice is given that if the party does not attend the hearing, the committee may proceed to ex-parte decision, dismiss, or adjourn the matter.

133. The member secretary shall give equal opportunity to both the parties to present their dispute in writing.

134. The member secretary shall compile the documents and shall prepare for submission to the committee.

Proceedings and decision of the committee

135. Upon completing all the documentation within 14 days, the committee shall sit to hear both the parties.
136. After the member secretary confirms the date of hearing, it shall be informed accordingly to the parties to present their dispute to the committee.
137. Upon hearing both the parties, the committee shall give their decision in writing within 10 working days.
138. If either of the parties to the dispute is not satisfied with the decision, the award may be challenged in the Royal Court of Justice by appealing within 10 working days from the date of award.
139. If no appeal is made, the decision shall be final and binding.
140. If the a party does not respect the award, the Royal Court of Justice shall enforce the decision passed by the Dispute Settlement Committee upon enforcement petition made by the other party.
141. The member of the Dispute Settlement Committee shall withdraw from the proceeding of the committee if there is any conflict of interest by writing to Chairperson.
142. The Award of Dispute Settlement Committee shall:
 - (a) mention the details of the petitioner and the respondent;
 - (b) mention the date of decision;
 - (c) The facts and issues involved; and
 - (d) Decisions with reasons.
143. At any stage of dispute settlement proceeding, the complainant shall have the right to withdraw his dispute.
144. The party who proposed motion to call the witness shall be liable to pay to the witnesses. The witnesses summoned shall be entitle for:

- (a) Reasonable travelling fare as may be determined by the Dispute Settlement Committee; and
 - (b) Daily allowance at the prevailing rate prescribed by the Minimum Wage.
145. If the Tenancy Implementing Agency is one of the parties to the dispute, the Tenancy Authority shall have the power to appoint an interim body as dispute settlement committee to try the tenancy dispute in accordance with the provisions of the Act and this Rules and Regulations.
146. The Dispute Settlement Committee members shall be entitled to the sitting fees as per the existing rules of the Ministry of Finance.

Chapter XI

Miscellaneous

Authority to repeal

147. The tenancy authority shall have the power to amend by way of addition, variation, or repeal the provisions of this Rules and Regulations subject to approval from the Ministry.

Authoritative Text

148. The Dzongkha text shall be the authoritative text, if there exists any difference in the meaning between Dzongkha and the English.

Definitions

149. For the purpose of these rules and regulations;
- (a) **“Act”** means the Tenancy Act of Bhutan, 2015.
 - (b) **“Essential services”** include supply of water, electricity, lights in passages, lifts and staircase, conservancy, parking, communication links and sanitary services, etc.
 - (c) **“Owner”** means a person who owns the rental unit and has legal authority to enter into Tenancy Agreement.

- (d) **“Rent”** means any consideration paid for the use or occupancy of any premises supplied under a tenancy agreement.
- (e) **“Rental Unit”** means any room or house or lease of land given for tenancy in consideration of rent.
- (f) **“Rules and Regulations”** means Tenancy Rules and Regulations of the Kingdom of Bhutan, 2018.
- (g) **“Tenancy”** means the right to occupy, use or enjoy the rental unit (whether exclusively or otherwise) in consideration for rent for a Tenancy duration.
- (h) **“Tenant”** means a person who takes in the possession of rental unit from the owner.