

འབྲུག་གི་ས་དང་ཁྱིམ་གླུ་རྒྱུད་ཀྱི་བཅའ་ཡིག་དང་སྒྲིགས་གཞི་

༢༠༡༨ ཅན་མ།



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

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Bhutan, 2018**

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དཔལ་ལྷན་འབྲུག་གཞུང་། ཞབས་ཏོག་ལྷན་ཁག

ROYAL GOVERNMENT OF BHUTAN  
MINISTRY OF WORKS AND HUMAN SETTLEMENT  
THIMPHU: BHUTAN

*"Construction Industry: Solutions to Innovation and Improved Technology"*

## 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 promulgates 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 the Kingdom of Bhutan; and
  - (c) come into force on 4<sup>th</sup> Day of the 1<sup>st</sup> Month of the Earth Male Dog Year of the Bhutanese calendar corresponding to the 19<sup>th</sup> of February 2018.

## **Chapter II Tenancy Authority and Tenancy Implementing Agency**

2. In accordance with section 4 of the Act, the Department of Human Settlement, Ministry of Works and Human Settlement shall establish a Division responsible for functioning as the 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 the 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 or carry out awareness of the Act and this Rules and Regulations at the national level;
  - (g) issue guidelines for implementation of the Act and this Rules and Regulations;
  - (h) carry out research and studies related to tenancy; and
  - (i) carry out such other functions in accordance with section 6 of the Act and as may be prescribed by the Ministry from time to time.
4. A Dzongkhag, a Thromde or a Gewog shall be the Tenancy Implementing Agency within its jurisdiction, responsible for the implementation and administration of the Act and this Rules and Regulations.
5. A Tenancy Implementing Agency shall:
- (a) implement the provisions of the Act and this Rules and Regulations effectively;
  - (b) create awareness of the Act and this Rules and Regulations to the general public within its jurisdiction;
  - (c) seek advice and clarification from the Tenancy Authority on the provisions of the tenancy laws;
  - (d) constitute a Dispute Settlement Committee to function within its 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 its jurisdiction; and

- (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. The tenancy agreement shall include, but not limited to the following:
  - (a) full names and contact addresses of the parties;
  - (b) details of the rental unit;
  - (c) date of the tenancy agreement;
  - (d) date of the commencement of the tenancy;
  - (e) duration of the tenancy;
  - (f) security deposit paid;
  - (g) purpose of the tenancy;
  - (h) rent payable;
  - (i) 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 report.
- 8. No person shall let or take on rent any rental unit except by a tenancy agreement in writing.
- 9. The owner shall lead and execute the tenancy agreement in

three original copies; copy each to be retained by each party and a copy shall be submitted to the Tenancy Implementing Agency by the owner within two weeks from the date of execution of the tenancy agreement.

10. Failure to comply with section 11 of the Act and section 9 of this Rules and Regulations shall be liable to pay a fine equivalent to one month's rent.
11. Where, in relation to a tenancy created before the commencement of the Act and this Rules and Regulations:
  - (a) a tenancy agreement in writing was already entered into, it shall be submitted to a Tenancy Implementing Agency; and
  - (b) no tenancy agreement in writing was entered into, the owner and the tenant shall enter into a tenancy agreement in writing with regard to that tenancy, and the owner shall submit to a Tenancy Implementing Agency.
12. A Tenancy Implementing Agency shall register, upload in the Tenancy Services System and provide a registration number to the parties upon receiving a copy of the 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 rights and duties of the owner and the 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 rental unit.

15. Any other terms and 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 specified in the tenancy agreement.
17. The tenant may approach the owner for renewal of the tenancy agreement as per section 82 of the Act, and any renewal of the tenancy agreement shall be deemed as a new tenancy agreement and shall therefore comply with section 9 of this Rules and Regulations.

### **Restriction on Subletting**

18. No tenant shall without the consent in writing of the owner:
  - (a) sublet whole or part of the rental unit held by the tenant; and
  - (b) transfer or assign the tenant's rights in the tenancy agreement or any part thereof.
19. Where the rental unit are sublet as per section 18 of this Rules and Regulations, the tenant and the sub-tenant shall enter into an tenancy agreement in line with the original tenancy agreement drawn between the owner and the tenant.

### **Replacement of the Tenant**

20. No tenant shall without the consent in writing of the owner replace himself or herself during the subsistence of the tenancy.

21. Where the tenant is replaced as per section 20 of this 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 a 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 successors claim to succeed the tenancy during the subsistence of the tenancy, the right of the tenancy shall devolve upon members of the tenant's family in the following order:
  - (a) spouse;
  - (b) children;
  - (c) parents; and
  - (d) any other member 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) the details of the tenant's representative; and
  - (b) the 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 the payment mode shall be in accordance with sections 19 to 24 of the Act.
29. Where the rent is paid, the owner shall forthwith give to the tenant 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.
30. If the owner fails to acknowledge the payment of rent, the tenant may file a complaint to the Committee within one week from the date of payment.

#### **Revision of Rent**

31. The rent may be increased in accordance with sections 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 the reservation on rent increment within ten 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 ten percent of the monthly rent.
32. If a tenant, who has been given a notice of an intended rent increase under section 31 of this Rules and Regulations, fails to give the owner a 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 the tenancy if there has been decrease or diminution or deterioration of the rental unit or the premises or the essential services, the tenant may claim a reduction in the rent.
34. The owner may either restore the rental unit, the premises and the essential services or agree for a reduction in the 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 twenty-four percent interest per annum to the tenant.

37. For the purpose of section 36 of this Rules and Regulations, it shall be calculated from the day it was collected until the amount with interest is refunded.
38. An application may be filed by either party to the Committee for the settlement of dispute related to rent revision.
39. On the application made by a party, the Committee may assert, approve, increase or decrease the proposed revision as the Committee deems 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. A security deposit shall be applicable in accordance with sections 30 to 34 of the Act, which shall be collected during the time of signing the tenancy agreement.
42. If the amount of security deposit exceeds more than two months' rent:
  - (a) a fine of exceeded amount shall be imposed on the owner, if the owner demanded security deposit exceeding more than two months' rent; and
  - (b) a fine of exceeded amount shall be imposed separately on both the tenant and the owner if the tenant offered

security deposit exceeding more than two months' rent.

43. The security paid shall be acknowledged with receipt, which shall have an evidentiary value at the time of disputing the payment of the security deposit.
44. Where any person pays to the owner, or to any other authorized person or the 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:
  - (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; and
  - (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, the tenant shall not apply the security deposit as the rent.

### **Refund of the Security Deposit**

47. The owner shall refund the security deposit at the time of

exit deducting for damages, if any, as per the Act and this Rules and Regulations.

48. If the owner files an application to the Committee, making a claim against the security deposit, refund of the security deposit shall be set-aside until the findings of the Committee.
49. If the owner refuses to refund the security deposit at the time of exit, the tenant shall claim the security deposit through the Committee within two months from the date of the exit, failing which the tenant's right is waived thereafter.
50. The owner's right is waived to claim the security deposit for the damages 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 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 tenant;
  - (c) the Committee orders the tenant to pay the owner after the end of tenancy; and
  - (d) for damages caused from the tenant's negligence.
52. If the owner withholds all or part of the security deposit without any of the reasons set out under section 51 of this Rules and Regulations, then the owner shall be liable to pay the tenant the amount of the security deposit withheld with compensation of twenty-four percent interest per annum.

## **Chapter VI**

### **Obligations of the Owner and the Tenant**

#### **Execution of Agreement**

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

#### **Rent Payment Receipt**

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

#### **Duty of the Owner to Handover 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 unit 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 tenancy agreement, the owner and the tenant shall be bound to keep the rental unit in good condition as at the commencement of the tenancy:
  - (a) the owner shall be responsible for repair and maintenance of normal wear and tear to the premises and the rental unit, including damages caused by natural calamities;
  - (b) the owner shall be responsible for maintenance and repair of essential services; and
  - (c) the tenant shall be responsible for repair and maintenance of damages caused to the premises and the rental unit by his or her negligence.
61. For the common facilities shared among the tenants or with the owner, the respective responsibilities of each tenant and the owner shall be specified in the tenancy agreements.
62. If the tenant refused to carry out the repair for the damages caused by his or her negligence, the owner shall get the repairs done upon assessment of the damages and claim reimbursement from the tenant.
63. If the owner refused to carry out repairs other than damages caused by the tenant's negligence, the tenant shall notify the owner and repair the damage and submit the bills of the actual cost incurred for repair with notice to the owner for reimbursement.
64. If the owner refuses to reimburse, the cost of repair may be deducted from the rent until the cost of repair is recovered.

65. If the owner refused to carry out the required repairs and left the unit uninhabitable upon the written notice of repair by the tenant, the tenant may abandon the unit after giving the 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 damages beyond the tenant's control.
67. The owner shall keep all common areas safe, clean and free from hazards.
68. The owner shall not interrupt or discontinue the essential services and facilities enjoyed by the tenants.
69. The tenant shall inform the owner about the known facts, on which the owner has no knowledge, of any potential threat 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 or premises.

### **Entry with Notice**

72. The owner or the property manager may enter the rental unit 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 the rental unit or the premises;
  - (b) to carry out inspection of the rental unit or the premises for the purpose of determining whether the property is in a habitable state; and
  - (c) for any other 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 a.m. to 5.00 p.m., unless otherwise agreed between the parties.
74. The owner or the property manager may enter the rental unit without notice in the case of an emergency.

### **Information about the Property Manager**

75. If the owner appoints a property manager, the owner shall provide to the tenant the following information:
- (a) the property manager's name;
  - (b) a proof that he is the agent of and employed by the owner; and
  - (c) if the property manager is a company, the name of the company, the 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 the power of attorney or any other legal instrument.

### **Cutting Off or Withholding Essential Services**

77. The owner or the tenant, either in person or through any person, shall not cut-off or withhold any essential services in the rental unit or the premises occupied by the tenant.
78. If the owner or the tenant contravenes section 77 of this Rules and Regulations and on application from the tenant or the owner, as the case may be, the 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 of this Rules and Regulations.
79. The 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 ten days of filing of such application.
80. The Committee may levy a penalty on the person responsible for cutting off or withholding the essential services as per the applicable laws.

## **Chapter VII**

### **Entry and Exit**

#### **Entry Condition**

81. The tenant shall enter the rental unit only upon execution of the tenancy agreement.
82. The owner and the 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 rental unit or the premises.
84. The owner shall give possession of the rental unit and the premises upon execution of the tenancy agreement and perform one's obligations as per the Act and this Rules and Regulations.

#### **Exit Condition**

85. The exit shall be made on the last date of the month of the date where the 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 the 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 an application to the Committee.

89. Unless the parties otherwise agree, the tenant shall vacate or leave the rental unit and the premises 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 the owner or any authorized person as per the entry condition report;
  - (b) remove all personal properties from the rental unit and the premises;
  - (c) leave the rental unit in a reasonably clean and tidy condition, and remove or arrange for the removal of all rubbish from the rental unit and the premises;
  - (d) return to the owner all keys, security or pass cards or other such devices provided by the owner for the use of the tenant; and
  - (e) leave in or at the rental unit and the premises 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 the 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 the presence of two independent witnesses, shall prepare a joint exit condition 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 detail the existing condition of the entire fixtures and the condition of the rental unit.
95. The owner and the tenant shall complete both the entry and the exit condition reports 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 sections 96 and 97 of this Rules and Regulations, 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 the exit condition reports completed in accordance with this chapter shall have the evidentiary value during dispute resolution proceedings, to prove and to ascertain the state and condition of the rental unit and its parts thereof on the date of the inspection, unless the 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:
- (a) if the tenant fails to pay the rent for two consecutive months and fails to communicate to the owner about one's whereabouts; or
  - (b) in the event the tenant left the rental unit permanently without any notice to the owner; or
  - (c) that the owner has sufficient evidence to prove that the tenant permanently left the rental unit; or
  - (d) by a written notification the tenant states intention to not return to the rental unit.
101. A property is deemed to have been abandoned on the occurrence of any of the following circumstances:
- (a) found in the abandoned rental unit; or
  - (b) 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 Committee within one week from the date confirming the abandonment of the rental unit.
103. On receiving the application, the Committee shall verify the facts by putting reasonable effort to contact the tenant or the immediate family members to confirm the abandonment within five working days and proceed to break the locked

door or gate of the abandoned rental unit.

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

### **Storage of the Abandoned Properties**

110. The owner shall store any property that is non-perishable in nature safely for a period of two months.
111. The owner shall feed and take care of the abandoned animals for a period of two weeks.

## **Disposal of the Abandoned Properties**

112. The disposal of the abandoned properties shall be as follows:
- (a) the Committee in the presence of the owner shall dispose the properties which are of perishable nature during the investigation;
  - (b) if the tenant fails to claim the non-perishable properties within the stipulated time, the Committee shall give a written approval to the owner upon receiving a written request to dispose the properties;
  - (c) the disposal of the abandoned properties shall be done in a commercially reasonable manner;
  - (d) the expenditure for disposing, storing and feeding of animals shall be refunded by the tenant. If the tenant is not found, the expenditure shall be met from the sale of the properties;
  - (e) the owner may use the money from the sale to pay for the costs of storage, transport, and sale of the properties, and any residual amount 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 the tenant's nearest family members;
  - (g) if the tenant and the tenant's nearest family members are not found, the residual amount shall be deposited in the revenue account of the Tenancy Implementing Agency; and
  - (h) the tenant shall have no right after the stipulated time whatsoever to make claim for abandoned properties and, for that matter, the Committee shall not entertain the tenant's claims.

## **Possession of the Abandoned Properties by the Tenant**

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

## **Chapter IX Notice**

117. A notice shall be served in accordance with sections 75 to 90 of the Act.
118. A notice shall be served:
  - (a) in the presence of two independent witnesses; or
  - (b) through the email ID reflected in the tenancy agreement;  
or
  - (c) through any other electronic means of communication;  
or
  - (d) to the specified postal address through the postal service; or

- (e) posted on the door of the rental unit.
119. The notice may be served to any family member or dependent of the tenant, when the concerned 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) the signature and the date of the party who serves the notice;
  - (b) the details of the party to whom the notice is served;
  - (c) the address of the rental unit;
  - (d) the effective date of the notice; and
  - (e) the grounds for ending the tenancy.
122. The party who serves the notice shall have the right to withdraw the notice before the date it becomes effective.

## **Chapter X**

### **Dispute Settlement Committee**

#### **Constitution of the 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 constituted upon the written executive order of the Chairperson.
125. The legal personnel of the concerned Tenancy Implementing

Agency shall serve as the Member Secretary or as the Registrar of the Committee, and in the absence of any legal personnel, any person designated by the Chairperson.

126. The roles and responsibilities of the Member Secretary shall be, but not limited to:
  - (a) register disputes;
  - (b) coordinate Committee hearings;
  - (c) keep minutes;
  - (d) coordinate with the parties;
  - (e) summon the parties and documents pertaining to a dispute;
  - (f) enforce the decisions of the Committee;
  - (g) implement Tenancy Services System; and
  - (h) any other secretarial work as may be assigned by the Committee.
  
127. A minimum of three members of the Committee shall be present to constitute a quorum, including the Chairperson or the Deputy Chairperson.
  
128. The Deputy Chairperson shall be:
  - (a) the Dzongrab for a Dzongkhag;
  - (b) the Executive Secretary for a Dzongkhag Thromde; and
  - (c) the Gewog Administrative Officer for a Gewog.
  
129. The Committee shall have the authority to adjudicate all tenancy disputes within its jurisdiction.

## **Registration of a Dispute**

130. The Member Secretary shall register a dispute when filed by the complainant with an application in person or through the Tenancy Services System maintained by the Tenancy Authority.
131. Upon registering a dispute, the Member Secretary shall then give each party a reasonable notice of the time, the place and the 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 matter(s) to be dealt with at the hearing;
  - (b) a reference to the relevant provisions of the Act or this Rules and Regulations of which the hearing will be held;
  - (c) a statement from where the 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 fourteen days the Committee shall sit to hear both the parties.
136. After the Member Secretary confirms the date of the 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 its decision in writing within ten working days.
138. If either of the parties to the dispute is not satisfied with the decision, the award may be challenged in a court of law by appealing within ten working days from the date of the award.
139. If no appeal is made, the decision shall be final and binding.
140. If a party does not respect the award, the court of law shall enforce the decision passed by the Committee upon enforcement petition made by the other party.
141. A member of the Committee shall withdraw from the proceedings of the Committee if there is any conflict of interest by writing to the Chairperson.
142. The award of the Committee shall mention:
  - (a) the details of the petitioner and the respondent;
  - (b) the date of decision;
  - (c) the facts and issues involved; and
  - (d) the decisions with the reasons.

143. At any stage of dispute settlement proceedings, the complainant shall have the right to withdraw the dispute.
144. The party that proposed the motion to call witnesses shall be liable to pay the witnesses:
- (a) reasonable travelling fares as may be determined by the Committee; and
  - (b) daily allowances at the prevailing rate prescribed by the minimum wage.
145. If a Tenancy Implementing Agency is one of the parties to the dispute, the Tenancy Authority shall have the power to appoint an interim body as the Committee to try the tenancy dispute in accordance with the provisions of the Act and this Rules and Regulations.
146. The Committee members shall be entitled to sitting fees as per the Financial Rules and Regulations 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 the approval of the Ministry.

#### **Authoritative Text**

148. The Dzongkha text shall be the authoritative text, if there

exists any difference in the meaning between the Dzongkha and the English texts.

## Definitions

149. For the purpose of this Rules and Regulations:

- (a) **“Act”** means the Tenancy Act of Bhutan, 2015.
- (b) **“Committee”** means the Dispute Settlement Committee.
- (c) **“Essential services”** include supply of water, electricity, lights in passages, lifts and staircase, conservancy, parking, communication links, sanitary services, etc.
- (d) **“Ministry”** means the Ministry of Works and Human Settlement.
- (e) **“Owner”** means a person who owns the rental unit and has legal authority to enter into tenancy agreement.
- (f) **“Rent”** means any consideration paid for the use or occupancy of any premises or rental unit under a tenancy agreement.
- (g) **“Rental Unit”** means any room or house or lease of land given for tenancy in consideration of rent.
- (h) **“Rules and Regulations”** means this Tenancy Rules and Regulations of the Kingdom of Bhutan, 2018.
- (i) **“Tenancy”** means the right to occupy, use or enjoy the rental unit whether exclusively or otherwise in consideration for rent for a tenancy duration.
- (j) **“Tenant”** means a person who takes in the possession of rental unit from the owner.



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