

# ELECTION COMMISSION OF BHUTAN



## Public Election Fund Rules and Regulations of the Kingdom of Bhutan, 2018



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Kingdom of Bhutan, 2018**

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## **Public Election Fund Rules and Regulations of the Kingdom of Bhutan, 2018**

In keeping with the Public Election Fund Act of the Kingdom of Bhutan, 2008 that the Public Election Fund be managed efficiently, effectively and transparently, the Election Commission of Bhutan hereby adopts and promulgates the *Public Election Fund Rules and Regulations of the Kingdom of Bhutan, 2018*.

### **1. Short Title, Extent, Application and Commencement**

1.1. These Rules shall:

- 1.1.1. Be called the *Public Election Fund Rules and Regulations of the Kingdom of Bhutan, 2018*;
- 1.1.2. Extend to the whole of Kingdom of Bhutan;
- 1.1.3. Apply to the management of Public Election Fund; and
- 1.1.4. Come into force with effect from 2<sup>nd</sup> of August 2018 corresponding to 20<sup>th</sup> Day of the 6<sup>th</sup> Month of the Earth Male Dog Year of the Bhutanese Calendar.

## **2. Definition**

2.1. In these Rules, unless the context otherwise requires:

2.1.1. “Act” means the Public Election Fund Act of the Kingdom of Bhutan, 2008;

2.1.2. “Candidate” means a person whose nomination has been duly accepted by the concerned Returning Officer;

2.1.3. “Commission” means the Election Commission of Bhutan formed in accordance with the Article 24 of the Constitution of the Kingdom of Bhutan;

2.1.4. “Division” means Public Election Fund Division of the Commission;

2.1.5. “Election Act” means the Election Act of the Kingdom of Bhutan, 2008;

2.1.6. “Electoral Laws” means the Election Act of the Kingdom of Bhutan, 2008, Public Election Fund Act of the Kingdom of Bhutan, 2008 and National Referendum



Act of the Kingdom of Bhutan, 2008 and all Rules and Regulations, Guidelines and orders made there under;

- 2.1.7. “Expenditure Observer” means a National Observer and Micro-Observer authorized to verify expenditures incurred by a Political Party or a Candidate for the purpose of election campaign;
- 2.1.8. “Fund” means the Public Election Funds allocated to the Commission under the Public Election Fund Act of the Kingdom of Bhutan, 2008 and provided by the Division to Political Parties and Candidates for carrying out Election campaign for Parliamentary elections;
- 2.1.9. “Political Party” means any registered Political Party which has submitted Letter of Intent to contest Parliamentary Elections;
- 2.1.10. “Telephonic Transfer (TT)” means transfer

of money from one bank account to another effected through telephone; and

2.1.11. The words importing the singular number shall include the plural number and *vice-versa*.

### **3. National Assembly**

3.1. The Division shall release the campaign fund for Political Parties contesting the Primary Round of the National Assembly Elections to the bank account maintained by the Political Party for the purpose of financing election campaign.

3.2. The payment for Candidates contesting General Elections shall be released to the bank account maintained by the Candidate for the purpose of financing election campaigns.

### **4. National Council**

4.1. The payment for Candidates contesting National Council Election shall be released to the bank account maintained by the Candidate for the

purpose of financing election campaign.

## **5. Banking Services and Campaign Accounts**

5.1. A Party and a Candidate shall open separate campaign account with any Bank licensed to operate in Bhutan and has branches in twenty Dzongkhags to be called the Party/Candidate (name) Campaign Account and shall submit the details of the same to the Division within 5 working days of opening such accounts.

For those *Demkhongs* with no bank facilities, the withdrawal of whole amount at one instance shall be allowed but the recording and verification of expenditures shall be as per the laws.

5.2. All financial transactions shall, as required under section 53 of the Public Election Fund Act, be made in cheques through bank accounts maintained by Political Parties and Candidates for the purpose of financing election campaign except for payments and receipts of amounts less than Nu.10,000/- which may be made in cash.

5.3. Financial institutions co-operating with the Division in the financial transaction connected with elections must have a banking facility in every Dzongkhag.

## **6. Mode of Fund Disbursement for National Assembly and National Council**

6.1. The Division shall disburse the funds through Telephonic Transfer (TT) to the bank account maintained by the Political Parties and Candidates respectively for the purpose of financing election campaigns.

6.2. The Commission shall bear the Bank charges on such remittances originating from the Fund.

## **7. Procedures for Application and Disbursement of the Fund**

7.1. All Political Parties and Candidates shall apply for Fund in the prescribed Application Forms.

### **Political Parties**

7.2. A Political Party shall apply for the fund in Public

Election **Fund Form No. 1A (PR)** counter-signed by the Party Secretary.

7.3. The Application Form shall be submitted along-with a copy of the Certificate of Registration as a Political Party, a copy of the Letter of Intent and a list of names of registered members who had made voluntary contributions as per Public Election **Fund Form No.4A**.

### **Candidates**

7.4. A candidate to the General Election shall apply for the fund in Public Election **Fund Form No. 1A(GE)** counter-signed by the Party Secretary.

7.5. A Candidate shall submit the Application Public Election **Fund Form No. 1A (GE)** along-with the copy of the Letters of Acceptance of Candidature issued by the concerned Returning Officer, to the respective Dzongkhag Electoral Officer or the Division.

### **National Council**

7.6. A candidate to the National Council shall apply for

the fund in Public Election **Fund Form No. 1B**.

- 7.7. The Application Form shall be submitted along-with a copy of the Letter of Acceptance issued by the concerned Returning Officer.
- 7.8. The date of receipt of the Application Forms by the Dzongkhag Electoral Office shall be treated as the date of receipt by the Division.
- 7.9. The Dzongkhag Electoral Officer shall fax the Form to the Division and send the original copy by registered post.
- 7.10. The Division shall, after receipt of the faxed copy of the Application Form, process disbursement of the entitled amount within 3 working days from the date of receipt of a valid application, with intimation to the Political Parties or Candidates at their given contact addresses.

## **8. Use of Campaign Funds**

- 8.1. The Political Parties and Candidates contesting Primary Round and General Elections shall, as

provided under section 77 of the Public Election Fund Act, use from the Party's own funds, an amount not exceeding the fund amount provided by the Commission.

8.2. The Political Parties and Candidates shall, use the funds disbursed for election campaign under section 77 of the Public Election Fund Act only for the following heads of accounts:

8.2.1. Rental of campaign office spaces;

8.2.2. Utility bills, like water, telephone, and electricity bills;

8.2.3. Goods and services for direct campaign purposes only;

8.2.4. Hire and rent of office automation equipment's during elections;

8.2.5. Stationery;

8.2.6. Rent for facilities for a specific campaign-related event;

8.2.7. Communication expenses with maximum expenditure up to Nu.15000/-(Fifteen

Thousand) only;

- 8.2.8. Production of manifesto;
- 8.2.9. Canvassing and election rallies;
- 8.2.10. Hire of motor vehicles for campaign purposes for Candidates and Election Representatives. If personal vehicles are used, the expenditure shall be on mileage basis as per the RGOB Financial Norms;
- 8.2.11. Display after obtaining permit from the Commission the party name, symbols, logo, poster or flags on vehicles;
- 8.2.12. Daily Subsistence Allowance for candidates and duly appointed representatives of the political parties and candidates and companions to be recorded and reported by the claimants and verified by the National/Micro Observers in the TA/DA Forms as per the RGOB Financial Norms;
- 8.2.13. A Candidate and a Representative shall be



allowed maximum of three Companions;  
and

- 8.2.14. Any other campaign related expenses as may be specified by the Commission from time to time.
- 8.3. All expenditures incurred by a Political Party or a Candidate for the Election Campaign shall be fully supported by proper bills/cash memos/receipts. Where such documents are not available, the Party or Candidate shall use the Public Election Fund **Form No. 12 A/B** with legal stamps affixed on the agreement document and revenue stamps for each payment, only for amount less than Nu.10,000(Ten Thousand) only.
- 8.4. The Division shall accept the Expenditure Statements duly verified and signed by the concerned National Observer.

## **9. Prohibited Expenditures**

9.1. A Political Party or a Candidate shall, as per section 84 of the Public Election Fund Act, be prohibited from making the following election campaign expenditures:

9.1.1. Anything that is in violation of the laws in force in the Kingdom of Bhutan;

9.1.2. Purchase of goods to sell for profit;

9.1.3. Anything clearly in excess of the fair market value of the services, materials, facilities, or other things of value received in exchange for the satisfaction or repayment of any debts;

9.1.4. Gift or donations; and

9.1.5. Any other expenditure the Commission may from time to time deem as prohibited expenditure.

9.2. A Political Party or a Candidate shall, as required by section 65 of the Public Election Fund Act, during an election period ensure that no individual

or organization sponsors meals, entertainment, donations or activities of any kind which may be construed as coercion or inducement or prohibited under the Electoral Laws.

9.3. The Party and/or a Candidate shall not incur any further cost on advertisement activities from the Funds received from the State.

However, a Party and/or a Candidate can purchase broadcast time and space in print media from its own funds provided the total for all expenditure does not exceed the ceiling and such expenses are as per the provisions laid down in the Strategy for the Implementation of the Provisions related to Election Advertising.

## **10. Return of Election Expenses**

10.1. A Political Party or a Candidate shall, as required under section 113 of the Public Election Fund Act, file before the Division, their returns of election expenses in the prescribed forms, exhibiting details of all contributions received by the

Candidate or Party and all expenditure incurred or authorized by them in relation to elections within thirty days of the declaration of results.

10.2. The Returns of Election Expenses shall be submitted to the concerned Dzongkhag Electoral Office or to the Division directly and the “date of receipt” stamped on the same will be taken as the date of receipt by the Division.

10.3. The Dzongkhag Electoral Offices shall forward, by registered post, the Returns to the Division without any delay.

10.4. The Division shall, after receipt of the Returns, verify and conduct a scrutiny.

10.5. The Royal Audit Authority shall, after receipt of the Returns, verify and conduct audit.

## **11. Surplus Campaign Fund**

11.1. Any unspent amount out of the campaign funds provided to the Political Parties for the Primary Round, upon completion of the Primary Round

shall be retained for use in the General Elections, provided proper documentation is maintained in the election returns, while the Parties ineligible to contest the General Election shall refund the unspent amount to the Division.

11.2. The unspent amount out of the campaign funds provided to the Candidates shall be refunded to the Division.

## **12. Election Return Forms**

### **National Assembly**

12.1. All Political Parties which have contested the Primary Round of Election to the National Assembly shall file their Election Returns in Public Election **Fund Form No. 9A (PR)** along-with the following supporting documents:

12.1.1. Public Election **Fund Form No. 3A (PR)**, which are declaration of contributions received;

12.1.2. Public Election **Fund Form No. 5A**

**(PR)**, which contains a list of campaign expenses incurred by the Party;

12.1.3. Bank Statement of the campaign account for the campaign period; and

12.1.4. Bank Reconciliation Statement in which the fund and contributions received and payments made are reconciled with the bank statement of the Party Campaign Account.

12.2. All Candidates who have contested the General Election shall file their Election Returns in Public Election **Fund Form No. 9A (GE)** along-with the following supporting documents:

12.2.1. Public Election **Fund Form No. 5A (GE)** which contains the list of campaign expenses incurred by the Candidate;

12.2.2. Bank Statement of the campaign account for the campaign period; and

12.2.3. Bank Reconciliation Statement in which the fund received from the Commission

and the Political Party and payments made out of it, as recorded in the respective statements are reconciled with the bank statement of the Candidate Campaign Account.

### **National Council**

12.3. A National Council Candidate shall file his/her Election Return in Public Election **Fund Form No. 9B**, along-with the following supporting documents:

- 12.3.1. Public Election **Fund Form No. 5B** which contains the list of campaign expenses incurred by the candidate;
- 12.3.2. Bank Statement of the campaign account for the campaign period; and
- 12.3.3. Bank Reconciliation Statement in which the fund received from the Commission and the payments made out of it, as recorded in the statements are reconciled with the bank statement of the Candidate

## Campaign Account.

### **Local Government**

12.4. A Local Government Candidate shall file his/her Election Return as per the *Guidelines for Monitoring Campaign Expenditures of Candidates for Elections to Local Government 2015*.

### **13. Monitoring of Campaign Expenditures**

13.1. The National Observer and the Micro Observer shall serve as the Expenditure Observer.

13.2. Treasurers or Accountants or Finance Representatives of Political Parties or Candidates shall submit expenditure statements on the expenditures incurred or authorized by them to the Expenditure Observers in Public Election **Fund Form No. 5** as per an agreed schedule drawn up on a weekly basis till the last day of campaign.

13.3. The Expenditure Observers shall verify each and every payment made by a Political Party or a candidate in the Weekly Expenditure Statement



submitted to him/her.

- 13.4. The National Observers and Micro Observers shall submit the weekly expenditure report to the Division as per **Public Election Form No. 5 A/B.**

#### **14. Audit**

- 14.1. The Division and the Royal Audit Authority shall carry out a scrutiny and audit of Parties' and Candidates' campaign accounts and records at the Parties' or Candidates' premises or the records may be required to be produced at the Commission's office.
- 14.2. The Political Party shall ensure that the Treasurer and Candidate concerned are present during the audit.
- 14.3. The Division and the Royal Audit Authority shall, after completion of the audit, prepare a preliminary audit report and provide a copy to the Treasurer or the Candidate concerned after being approved by the Commission.

- 14.4. The Party or the Candidate concerned may submit, in writing, within 10 days of the receipt of the preliminary audit report, any legal comments on the findings contained in the report.
- 14.5. The Division shall release the final audit report after considering all legal and factual materials submitted by the Party or the Candidate.
- 14.6. A Political Party or a Candidate shall, refund any recovery on prohibited expenditures as per the findings of the audit to the Commission.

## **15. Election Returns for Public Scrutiny**

- 15.1. The Division shall make necessary arrangement, for the Election Returns of Primary Round, General Elections, National Council and Local Government Elections or National Referendums to be made available for public scrutiny in the prescribed Public Election **Fund Form No. 11 (A/B)**.

## **16. Offence**

16.1. All acts that violate any provision of these Rules shall constitute an electoral offence under the Election Act, 2008.

## **17. Penalties**

17.1. Any corrupt practice in the management of the public election funds will be dealt in accordance with the Electoral Laws.

17.2. Any person, Political Party or Candidate found guilty of violation of these Rules shall be dealt in accordance with the Electoral Laws.

## **18. Power of the Commission to Issue Instructions and Directions**

18.1. The Commission may issue instructions and directions:

18.1.1. For the clarification of any of the provisions of these Rules and Regulations;

18.1.2. For the removal of any difficulty which may arise in relation to the

implementation of any such provisions;  
and

18.1.3. In relation to any matter with respect to management of the public election funds, for which these Rules make insufficient provision, and clarification is necessary in the opinion of the Commission.

## **19. Authority of Interpretation and Amendment**

19.1. The Commission shall, in case of differences in meaning, be the final authority on interpretation of these Rules.

19.2. The Commission shall have the power to amend by way of addition, variation, or repeal the provisions of these Rules.

**Done under the seal of the Election Commission of the Kingdom of Bhutan on this 2<sup>nd</sup> Day of the 8 Month of the Year 2018 corresponding to the 20<sup>th</sup> Day of the 6<sup>th</sup> Month of the Earth Male Dog Year in the Bhutanese Calendar.**



**Election Commissioner**



**Election Commissioner**



**Chief Election Commissioner**