

# **Election Commission of Bhutan**



## **Guidelines for Monitoring Campaign Expenditures of Candidates for Elections to Local Government, 2021**

## ELECTION COMMISSION OF BHUTAN

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## **Guidelines for Monitoring Campaign Expenditures of Candidates for Elections to Local Government, 2021**

In keeping with the Sections 7, 10, 59, 61 and 63 of the Public Election Fund Act of the Kingdom of Bhutan, 2008 and in the interest of conducting clean, free and fair Local Government Elections and to ensure that the election Campaign expenses of a Local Government candidate are managed lawfully, the Election Commission of Bhutan hereby adopts and promulgates the *Guidelines for Monitoring Campaign Expenditures of Candidates for Elections to Local Government, 2021*, as follows:

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

1.1 These Guidelines shall:

- 1.1.1 Be called the *Guidelines for Monitoring Campaign Expenditures of Candidates for Elections to Local Government, 2021*;
- 1.1.2 Extend to the whole of Kingdom of Bhutan;
- 1.1.3 Apply to the monitoring of campaign expenditures of candidates for contesting Local Government Elections; and
- 1.1.4 Come into force with effect from 19<sup>th</sup> October, 2021 corresponding to 14<sup>th</sup> Day of the 9<sup>th</sup> Month of the Iron Female Ox Year of the Bhutanese Calendar.

### **2. Definitions**

2.1 In these Guidelines, 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 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 Election Commission of Bhutan;
- 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, Regulations, Guidelines and orders made there under;

- 2.1.7 “Expenditure Observer” means a National Observer authorised to verify expenditures incurred by a Political Party or a Candidate for the purpose of election campaign;
- 2.1.8 “Political Party” means any registered Political Party which has submitted Letter of Intent to contest Parliamentary Elections; and
- 2.1.9 The words importing the singular number shall include the plural number and vice-versa.

### **3. Legal Provisions**

- 3.1 Section 7 of the Public Election Fund Act provides that the Commission shall fix the spending limits for candidates in an election to Local Governments from time to time.
- 3.2 Section 10 of the Public Election Fund Act provides that the Public Election Fund Division shall be responsible for monitoring all election expenses in relation to Local Governments.
- 3.3 Section 59 of the Public Election Fund Act provides that expenditure incurred or authorized by a candidate contesting elections to *Dzongkhag Tshogdus, Gewog Tshogdes* and *Thromde Tshogdes* shall, subject to any orders of the Commission under section 7, be limited to a maximum amount of Ngultrum **75,000/-**.
- 3.4 Section 61 of the Public Election Fund Act provides that every candidate shall maintain in the prescribed forms, day to day account of expenses incurred or authorized in relation to campaign from the date of announcement of elections till the declaration of results.
- 3.5 Section 63 of the Public Election Fund Act provides that no person shall incur or authorize any election expenses for or on behalf of any candidate, unless the person has been authorized in writing in his/her behalf by the candidate.

### **4. Campaign Account**

- 4.1 A candidate contesting the Local Government Elections is required to open a separate bank account (Current Account) in the bank notified by the Election Commission to be called the Candidate Campaign Account except in the case where banking facility is not available
- 4.2 A candidate shall sign an undertaking form Public Election Fund Form No. 13C stating whether he/she shall/shall not be incurring expenditure during the campaign period.
- 4.3 A candidate shall intimate the details of the campaign bank account maintained to the Commission within five working days of opening of the account.

- 4.4 A candidate shall ensure that only a lump-sum amount for financing the campaign expenses, subject to the ceiling, shall be deposited in this campaign account.
- 4.5 A candidate shall spend out of the campaign account only for the activities permitted as expenses for his /her election campaign.
- 4.6 A candidate may authorise in writing any person to withdraw funds from the candidate's campaign account and incur expenditure on his/her behalf.
- 4.7 No fresh expenses from the campaign account shall be incurred by a candidate after the closure of the campaign period.

## **5. Permissible Expenses**

- 5.1 A candidate shall incur the following Election Campaign expenditure:
  - 5.1.1 Goods and services required for direct campaign purposes only;
  - 5.1.2 Communication Expenses such as telephone, fax and postage;
  - 5.1.3 Stationery including revenue and legal stamps;
  - 5.1.4 Production of manifesto, introductory leaflets or visiting cards;
  - 5.1.5 Hire of motor vehicles for campaign purposes or transportation cost; and
  - 5.1.6 Daily Subsistence Allowance for candidate/Election and Polling representatives as follows :
    - Candidate: Nu. 1000/-
    - Representative: Nu. 500/-
    - Companion: Nu. 215/-
  - 5.1.7 A candidate and a Representative shall be allowed three Companions.
- 5.2 A candidate must maintain a log book for each vehicle hired.
- 5.3 A candidate must produce a copy of the Vehicle Registration Document of the hired vehicle.
- 5.4 A candidate may appoint his/her Election and Polling representative
- 5.5 A candidate shall submit to the concerned Returning Officer, a list of persons duly appointed as his/her election and polling representatives.
- 5.6 A candidate shall submit a list of his/her election and polling representatives, if appointed, to the concerned Returning Officer.

## **6. Prohibited Expenditure**

6.1 A candidate shall be prohibited from making the following expenditures as election campaign expenses:

6.1.1 Purchase of goods for the purpose of selling for profit; and

6.1.2 Offering or purchase of Gift or donations for offices, individuals, business units or any organization for any other purpose.

6.2 Any expenditure incurred in violation of the laws in force in the Kingdom of Bhutan is not permissible.

## **7. Record Keeping**

7.1 A candidate shall maintain proper records of expenditure incurred during the elections.

7.2 A candidate shall ensure that the record of expenditure include all the details of money spent during the election campaign.

7.3 A candidate shall ensure that all the payments made are fully supported by proper bills/receipts/cash memo and where such documents are not available, the candidate shall use the Public Election Fund Form-10 affixed with legal stamps on the agreement document and revenue stamps for each payment.

7.4 A candidate shall ensure that all bills including receipts, cash memo or any other supporting documents are verified by the respective National Observers.

7.5 A candidate shall ensure that all bills contain the name and address of every person to whom the payment is made with the details of date, amount and purpose of the expenditure incurred.

7.6 A candidate shall ensure that the financial transactions exceeding Nu.10,000/- per transaction is made through cheque.

7.7 A candidate shall ensure that all election expenses and dues are paid before the filing of election return of election expenses.

## **8. Bank Statements of the Campaign Account**

8.1 A candidate must keep and produce at the time of filing Election Returns, the bank statement of the campaign account which cannot be substituted by any other documents or statement.

## **9. Election Returns**

- 9.1 A candidate shall file before the Division, his/her returns of election expenses in the prescribed forms, exhibiting details of all expenditure incurred or authorized by him/her in relation to elections within thirty days of the declaration of results.
- 9.2 A candidate shall submit the Returns of election expenses to the concerned Dzongkhag Electoral Office or directly to the Division.
- 9.3 The Division shall consider date of receipt by the Dzongkhag Electoral Office as the date of receipt by the Division in case of submission through the Dzongkhag Electoral Officer.
- 9.4 The Dzongkhag Electoral Offices must without delay submit or forward the Returns to the Division by registered post.
- 9.5 A candidate shall ensure that Returns filed are in the form of itemized bills.

## **10. Election Return Forms**

- 10.1 A candidate must file his/her Election Returns in Public Election Fund Form **9C** along-with the following supporting documents:
  - 10.1.1 Public Election Fund Form **5C**, which contains the list of campaign expenses incurred by the candidate; and
  - 10.1.2 Bank Statement of the campaign account for the campaign period;

## **11. Monitoring of Campaign Expenditure**

- 11.1 A National Observer shall serve as the Expenditure Observer.
- 11.2 The Finance Representative of a candidate or the candidates shall submit till the last day of campaign, an expenditure statement in Public Election Fund Form **5C** to the National Observer on a weekly basis as per an agreed schedule drawn up on the expenditures incurred or authorized by them.
- 11.3 A National Observer shall verify all the expenditures incurred by a candidate in the weekly expenditure statement submitted to him/her.
- 11.4 The National Observers shall submit the weekly expenditure report to the Division as per Public Election Form No. 5C



## **12. Audit**

- 12.1 The Division and Royal Audit Authority shall carry out scrutiny and audit of Election Returns wherever required.
- 12.2 The Division and Royal Audit Authority shall submit a preliminary audit report.
- 12.3 The Division shall, provide a copy to the candidate concerned after it is approved by the Election Commission.
- 12.4 The Division shall, provide a copy of the preliminary audit report approved by the Commission, to candidate concerned.
- 12.5 The candidate concerned must submit in writing his/her comments on the findings contained in the report within 10 days of the receipt of the preliminary audit report.
- 12.6 The Division shall, after taking into account the comments submitted by the candidate, release the final audit report to the general public.

## **13. Penal Provision**

- 13.1 Any fraudulent electoral act committed by a candidate shall be dealt in accordance with the electoral laws and the Penal Code of the Kingdom of Bhutan.

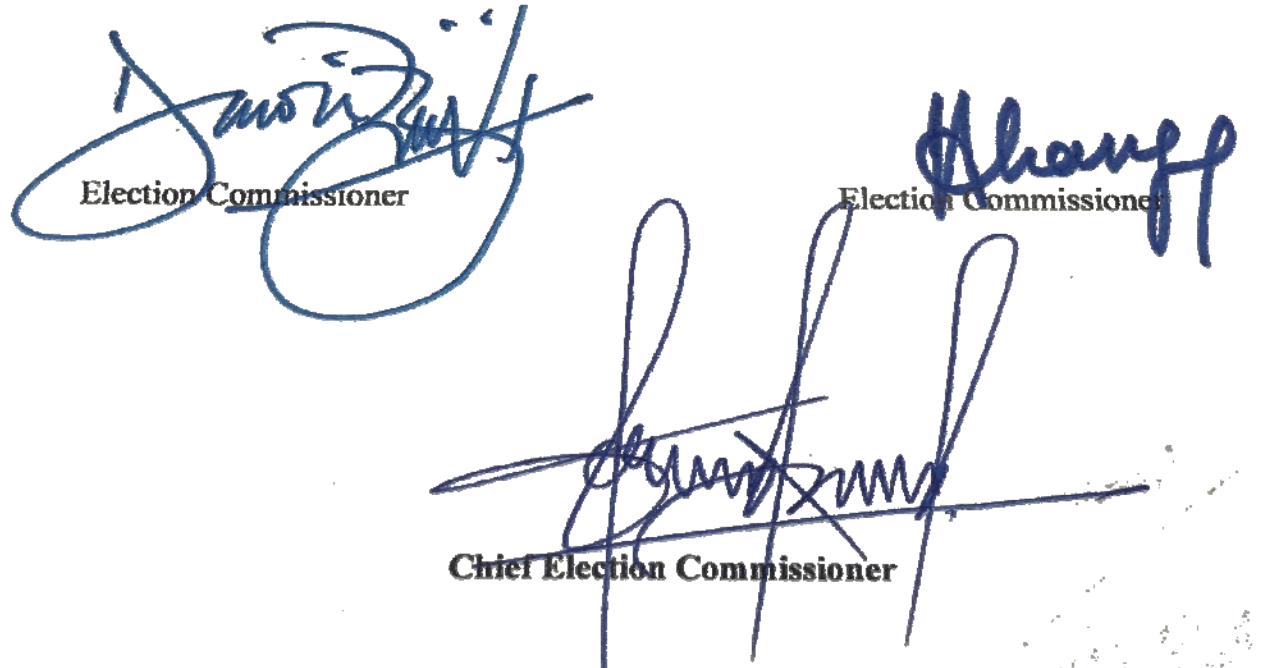
## **14. Power of the Commission to Issue Instructions and Directions**

- 14.1 The Commission may issue further instructions and directions:
  - 14.1.1 For the clarification of any of the provisions of the Electoral Laws;
  - 14.1.2 For the removal of any difficulty which may arise in relation to the implementation of any such provisions; and
  - 14.1.3 In relation to any matter with reference to the election campaign expenditures of local government elections, for which the above are insufficient provision in the opinion of the Commission.

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

- 15.1 The Commission shall:
  - 15.1.1 In case of differences in meaning, be the final authority for the interpretation; and
  - 15.1.2 Have the power to amend by way of addition, variation or repeal any of the above provisions.

Done under the seal of the Election Commission of the Kingdom of Bhutan on this 19<sup>th</sup> October, 2021 corresponding to 14<sup>th</sup> Day of the 9<sup>th</sup> Month of the Iron Female Ox Year of the Bhutanese Calendar.



The image shows three handwritten signatures in blue ink, each placed over a printed title. The top-left signature is over the text "Election Commissioner". The top-right signature is also over the text "Election Commissioner". The bottom-center signature is over the text "Chief Election Commissioner". The signatures are stylized and cursive.

Election Commissioner

Election Commissioner

Chief Election Commissioner