



Surface Transport Bill 2017

Royal Government of Bhutan

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PREAMBLE

WHEREAS, to provide for safe, reliable, efficient, inclusive and environment friendly surface transport system in the Kingdom of Bhutan including matters connected therewith or incidental thereto consistent with the national laws and international standards;

WHEREAS, to strengthen the development and regulatory capacity of the surface transport sectors;

WHEREAS, to realign and ensure clear responsibilities of the relevant agencies;

The Parliament of the Kingdom of Bhutan do hereby enact the Surface Transport Act of Bhutan 2018 on the.....Day of the..... Month ofYear of the Bhutanese Calendar corresponding to theDay of, 2017 at itssession of the Third Parliament as follows:

CHAPTER I: PRELIMINARY

Short Title, Extent and Commencement

1. This Act shall:
 - (1) Be called the Surface Transport Act of Bhutan 2018;
 - (2) Extend to whole of the Kingdom of Bhutan; and
 - (3) Come into force on the ...Day ofMonth of ... Year of the Bhutanese calendar corresponding to....the date of.....month of.....

Application

2. This Act applies to:
 - (1) A vehicle registered with the Department;
 - (2) A vehicle belonging to the armed forces so far as safety and traffic regulations are concerned;
 - (3) A vehicle registered in other countries and plying within Bhutan;
 - (4) Person covered under this Act, and the Rules and Regulations;
 - (5) Other alternative modes of surface transport except Air Transport; and
 - (6) Any other matter connected with or incidental to surface transport in the country.

Objects of the Act

3. The objects of this Act are to:
 - (1) Promote the development of Surface Transport in Bhutan through creation of conducive policy and legal environment;
 - (2) Provide for the safe, reliable, efficient, inclusive and environment friendly surface transport system in Bhutan;
 - (3) Enable the establishment of systems and procedures for the licensing of drivers and operators, registration of motor vehicles and issuance of permits and certificates;

- (4) Enable the establishment of systems and procedures for road worthiness and emission testing of motor vehicles;
- (5) Enable the establishment of systems and procedures for the use of other alternative modes of surface transport; and
- (6) Facilitate enhancement of capacity of the Ministry, Authority and other agencies to ensure efficient and effective regulation, development of surface transport and shaping the surface transport in the direction corresponding to national needs and global trends.

Repeal

4. This Act shall repeal the Road Safety and Transport Act, 1999, and any provision in other laws, rules and regulations pertaining to surface transport, so far as they are inconsistent with this Act.

CHAPTER II: RESPONSIBILITIES OF THE MINISTER AND THE DEPARTMENT

Responsibilities

5. The Minister is entrusted under this Act with the responsibility to:
 - (1) Formulate surface transport policies, guidelines and strategies;
 - (2) Issue policy directives on surface transport related matters under this Act for compliance by the relevant agencies;
 - (3) Promote the development of surface transport in the country and supervise all matters connected thereto;
 - (4) Ensure safety of surface transport operation in the country through appropriate policy and guidelines;
 - (5) Administer participation in bi-lateral, sub-regional, regional and international surface transport conventions, treaties or agreements;
 - (6) Render assistance to the development of surface transport in the country with adequate human and financial resources;
 - (7) Ensure that the public transport system provided in the country is efficient, effective, safe, reliable, inclusive and environment friendly;

- (8) Authorize the establishment of a Crash Investigation Team as deemed necessary.

Reports from the Authority and other relevant bodies

6. The Minister may require the Authority, or agencies functioning under this Act including the providers of transport services, to provide, within a reasonable period of time, information, statistical data and reports on specific matters falling within this Act, and the Rules and Regulations and they shall respond to such requests.

Delegation of Power

7. The Minister may delegate any or all of the responsibilities under this Act to the relevant agencies.

Responsibilities of the Department

8. For the purpose of this Act, the developmental activities and services for surface transport shall be provided by the Department but not limited to:
 - (1) Improve the efficiency and effectiveness of public transport facilities and networks in coordination with relevant agencies and stakeholders;
 - (2) Develop and implement procedures and systems for motor vehicle registration, testing of vehicle road worthiness, licensing of driver and operator, issuance of instructor certificate, vehicle emission, licensing of public transport and other alternative modes of transport services within the country;
 - (3) Review and amend routes for operation of passenger transport buses;
 - (4) Enter into contract with any person for the provision of public transport service;
 - (5) Undertake studies and research on surface transport;
 - (6) Approve outsourcing of the activities to be carried out by the private agencies;

- (7) Implement accident prevention measures;
- (8) Implement vehicle standards and specifications;
- (9) Develop and implement traffic management strategies and practices;
- (10) Registration and renewal of motor vehicle and other alternative modes of surface transport including roadworthiness certificate and emission;
- (11) Train all personnel including police official to carry out their duties and responsibilities effectively and efficiently to improve road safety and public service delivery; and
- (12) Set procedures and provide services relating to:
 - (a) Motor vehicle registration;
 - (b) Licensing of drivers and operators;
 - (c) Issuance of permit and certificate;
 - (d) Testing of vehicle emission and fitness;
 - (e) Condemnation of old vehicles;
 - (f) Disposal of de-registered vehicles; and
 - (g) Re-registration of de-registered vehicles.

CHAPTER III: SURFACE TRANSPORT AUTHORITY

Establishment of the Authority

9. There shall be established an Authority referred to as the “Surface Transport Authority” which is an independent body, having a distinct legal personality, and capable of doing all such things and entering into all transactions as are incidental or conducive to the exercise or performance of its functions assigned to it under this Act.
10. The Authority shall consist of:
 - (1) A Board of Directors; and
 - (2) Secretariat;
11. The Authority shall be a legal entity operating within the laws of Bhutan and enjoy such legal status and capacity as may be necessary for the

fulfillment of its objects and the exercise of its functions and, in particular, the capacity to:

- (1) Enter into contracts;
- (2) Acquire or dispose moveable and immovable property; and
- (3) Sue and be sued in its own name.

12. The Authority shall have functional autonomy until such time the Government decides otherwise, and shall be entitled for adequate budgetary grants to perform its responsibilities.

The Board

13. There shall be a Board of Directors consisting of:

- (1) Two members from relevant government agencies appointed by the Cabinet based on a panel of names recommended by the Royal Civil Service Commission;
- (2) One member from the Traffic Division appointed by Chief of Police, Royal Bhutan Police;
- (3) One member representing the private sector appointed by the Bhutan Chamber of Commerce and Industry; and
- (4) Head of the Secretariat to serve as ex-officio member secretary with voting rights.

14. The Chairperson and the Deputy Chairperson of Board shall be elected from among the members at its first meeting.

15. Except the Head of the Secretariat, the members of the Board shall be appointed for a term of three years, and may be re-appointed for a maximum of one additional term.

16. For the purpose of Section 15, the Secretariat shall process re-appointment or new appointment of Board Members before three months of expiry of term of the serving members.

Resignation of a member

17. A member of the Board except the Head of the Secretariat and a Chairperson may at any time resign from office before the expiry of the prescribed term, by giving at least one month advance notice in writing to the Chairperson through the respective appointing agency.
18. In case for the resignation of Chairperson, one month notice in writing shall be submitted to the Deputy Chairperson.
19. The resignation shall take effect from the date of acceptance of the notice to resign.

Removal from Membership

20. A Member of the Board may be removed, replaced or disqualified to continue as a Member of the Board by the Chairperson before the completion of his or her tenure, if he:
 - (1) Remains absent from three consecutive meetings of the Board;
 - (2) Is convicted of any offence;
 - (3) Becomes physically or mentally incapable of discharging the person's duties; or
 - (4) Fails to comply with the provisions of this Act relating to disclosure.
21. The Chairperson may be removed, replaced or disqualified to continue as a Member of the Board by the Deputy Chairperson if he disqualifies the conditions prescribed under Section 20 of this Act.
22. No Member shall be removed under Section 20, unless such person has been given a reasonable opportunity of being heard in the matter.

Filling of Vacancies

23. If the Member of the Board dies, resigns, is removed, gets his appointment revoked; or ceases to be member of the Board, under sections 17 to 21, the Secretariat shall process the replacement.

24. The Secretariat shall notify the relevant appointing authorities as soon as vacancy occurs in the membership of the Board due to reasons specified in section 23, and the relevant appointing authorities shall facilitate the appointment of a Member to fill such vacancy within one month of receiving the notice.

Functions of the Board of Directors

25. The Board shall be the highest decision-making body for the Authority, responsible for performing all regulatory functions that are necessary for safe, reliable and efficient operation of surface transport services in the country.

26. The Board shall give general direction for the implementation and achievement of the objectives and functions of the Authority;

27. Without limiting the generality of section 25 and 26 of this Act, the Board shall:

- (1) Approve Rules and Regulations developed, reviewed or amended by the Secretariat on matters considered necessary or expedient with reference to specific provisions of this Act or any other matters the Authority may deem appropriate to prescribe in the Rules and Regulations for the implementation of the provisions of this Act;
- (2) Approve guidelines for establishment of Emission Testing Centers and any other matters as deemed required under this Act;
- (3) Approve fares for public transport services including freight transport;
- (4) Approve vehicle specifications and standards for registration and operation in the country, in consultation with Bhutan Standards Bureau;
- (5) Approve procedures to investigate crashes and accidents relating to Surface Transport;
- (6) Review and approve institutional structure and staffing plan in consultation with the Royal Civil Service Commission;

- (7) Approve fees, charges and fares as may be necessary for various services provided by the Authority, Department or any other Service Providers;
- (8) Review and approve the annual work programme and budget of the Authority in consultation with the Ministry of Finance;
- (9) Consider and approve matters relating to the acquisition and disposal of assets of the Authority;
- (10) Establish Committee, as may be required for specific intervention; and
- (11) Exercise such other powers and perform functions as may be necessary for the purpose of implementing this Act.

Procedures of the Board

28. The Board shall meet once every three months and may hold extraordinary meetings as and when required.
29. Extraordinary meetings of the Board shall be convened by the Chairperson when considered necessary or on the written request of at least two Members of the Board.
30. The quorum for any meeting shall be a simple majority.
31. The decision on all matters of the Board shall be a simple majority of its Members present and voting.
32. The Board may co-opt any expert or any other person to give advice or guidance as and when necessary.

Remuneration of the Board Members

33. Members of the Board and any other person attending a meeting of the Board in accordance with section 32 of this Act shall be paid such remuneration or fees or allowances determined by the Government from time to time.

Appointment of the Head of Secretariat

34. The Head of Secretariat shall be appointed by the Royal Civil Service Commission, who shall ensure that the proposed candidate has:

- (1) The required management and experience in the field of surface transport;
- (2) Demonstrated fitness for the efficient and effective discharge of the powers and duties vested on him by this Act;
- (3) No ownership or monetary interest in, any stocks or bonds of surface transport related business; and
- (4) No engagement in any other business, vocation, or employment directly or indirectly related to surface transport.

35. The Head of Secretariat shall:

- (1) Be the chief executive and the legal representative of the Authority;
- (2) Have powers of general superintendence and direction in the conduct of affairs of the Secretariat;
- (3) Exercise authority to effectively implement the provisions of this Act;
- (4) Have complete authority over all personnel, activities and assets of the Authority;
- (5) Submit a report annually, including financial and other affairs of the Authority to the Minister and the Board; and
- (6) Exercise and discharge such powers and functions of the Authority that have been assigned under this Act.

36. The Head of the Secretariat may delegate in writing any of his powers under section 35 to any officers, or any unit of the Secretariat as deemed necessary.

Employees of the Secretariat

37. Royal Civil Service Commission shall appoint employees of the Secretariat to discharge responsibilities as may be necessary for effective implementation of the provisions of this Act.

38. The conduct of the employees shall be governed by the Bhutan Civil Service Rules and Regulations.

Responsibilities of the Secretariat

39. The Secretariat shall be entrusted with the following responsibilities:

- (1) Develop, review or amend Rules and Regulations as per the provision of this act and any provisions under the relevant laws which authorize the Authority to frame Rules and Regulations thereof.
- (2) Set, review and regulate fares for public transport including the freight transport;
- (3) Set fees and charges as may be necessary for various services provided by the Authority or any other service providers;
- (4) Regulate the surface transport services provided by the service providers in accordance with the standards prescribed by the Authority or any other relevant agencies;
- (5) Set guidelines and measures to ensure surface transport safety and regulate thereon;
- (6) Set procedures to investigate crashes and accidents relating to surface transport;
- (7) Regulate vehicle emission and noise level as per the standards prescribed by the Authority or any other relevant agencies;
- (8) Regulate vehicle standards and specifications;
- (9) Monitor traffic management strategies and practices;
- (10) Regulate and enforce surface transport safety under this Act;
- (11) Carry out periodic inspection and enforcement of road safety;
- (12) Propose budget of the Authority for approval by the Government for the purpose of discharging its functions; and
- (13) Provide any other reports as may be required by the Minister.

Indemnification of officers

40. The Authority or an authorized person shall be indemnified against any civil proceeding arising from the lawful exercise of the powers conferred or lawful discharge of any of the functions under this Act or any other existing laws which empowers to discharge necessary functions.

Financing of the Authority

41. All activities of the Authority shall be financed through:

- (1) Budgetary grants from the Government; and
- (2) Surface Transport Safety Fund specified under section 77 of this Act.

42. The Government shall ensure that the Authority is adequately funded to enable it to effectively and efficiently exercise its functions and discharge its responsibilities as provided in this Act.

Conflict of interest

43. The Minister, the Members of the Board, Head and officials of the Secretariat shall not control, manage or operate any surface transport related business while in office, either directly or indirectly.

44. A person specified under Section 43 of this Act, having financial interest in any surface transport related business shall make full disclosure of such interest to their respective appointing authorities.

45. A person specified under section 43 of this Act shall be prohibited from participating in any action or decision that may, whether directly or indirectly, affect their financial interest in any surface transport related business.

Auditing

46. The Royal Audit Authority shall carry out annual auditing of the Authority including performance audit in accordance with the Audit Act of Bhutan and the Rules and Regulations made thereunder.

CHAPTER IV: SAFETY

Duty of the road users

47. A driver shall drive a motor vehicle in a safe and ethical manner and take into account the traffic and road conditions prevailing at the time and in particular:
- (1) Take safety measures to avoid road crashes and injuries;
 - (2) Ensure that the motor vehicle being driven is in a safe and road worthy condition;
 - (3) Comply with the directions issued by the police official or an authorized person in discharge of his duties;
 - (4) Ensure proper and correct use of safety gadgets; and
 - (5) Produce required documents on demand by the police official or an authorized person.
48. A driver shall comply with the seating and loading capacity, use of parking and horn as per the prescribed requirements.
49. A driver shall not drive under the influence of narcotic drugs and psychotropic substances or alcohol, and shall not use any material which shall distract while driving.
50. A motor Cycle rider, bi-cycle rider and a pillion rider shall use safety gadgets as per the prescribed specifications.
51. A driver or a rider shall comply with the prescribed right of way including right of way for the animals.
52. The pedestrian shall comply with the conditions prescribed under this Act or the Rules and Regulations.

Motor Vehicle safety Standards

53. A motor vehicle applied for registration and plying in the country shall meet the safety standards as may be prescribed in the Rules and regulations.

54. If a motor vehicle does not comply with applicable specifications and standards:

- (1) The Department shall refuse registration;
- (2) The police official or an authorized person may prohibit the use of the motor vehicle in accordance with sections 69.

Safety of the Road

55. The Authority shall require agency concerned with the construction and maintenance of the road infrastructure in accordance with the provisions of Road Act of the Kingdom of Bhutan and rules and regulations made thereunder or any other relevant laws.

56. If the Authority is of the opinion that there is road safety issue, it shall notify the agency concerned to carry out preventive as well as corrective measures.

Vehicular Pollution

57. For the purpose of this Act, the National Environment Commission or other relevant agencies may prescribe the vehicular pollution standards and in event of standards not so prescribed for the specific purposes under this Act, the standards may be set by the Authority.

Emission

58. A person shall not drive a motor vehicle without a valid Pollution Under Control Certificate issued by the Department or an authorized emission testing agent.

59. Notwithstanding anything contained in section 49, if a vehicle is found producing excessive smoke, the police official or an authorized person shall:

- (1) Conduct emission test on the spot to determine the emission level; or

- (2) Direct the driver to have the vehicle tested for emission from the nearest testing facility.
60. Except under section 59 (1), the vehicle referred under section 59 (2) shall not be permitted to ply on the road until he produces a test result showing acceptable level of emission which may be subject to further confirmation by the Department or police official.
61. A person driving a motor vehicle shall produce the Pollution Under Control Certificate on demand by the police official or an authorized person.
62. The Department may enter into contract or other forms of arrangements with private firms for the purpose of providing emission testing services.

Noise

63. A person shall not drive or allow a motor vehicle to be driven on the road that generates noise beyond the permissible limit as prescribed under this Act or any other relevant laws.
64. If a motor vehicle is producing noise beyond permissible limit, the police official or an authorized person shall conduct a test on the spot to determine the noise level.
65. In the event that the motor vehicle is producing noise beyond permissible level upon testing under section 64, the police official or authorized person shall direct a driver or owner of the motor vehicle to rectify.
66. If a person fails to comply with the direction under section 65, and drives or allows a motor vehicle to be driven on the road producing excessive noise shall be dealt with the provisions of this Act and any other relevant laws.

Power to Inspect Motor Vehicles

67. The police official or an authorized person may inspect a motor vehicle or direct a person to present a motor vehicle for inspection to determine

whether it complies with the provisions of this Act, and the Rules and Regulations.

68. The driver or operator of a public transport shall maintain a History book and produce it upon demand by the police official or an authorized person.

Restriction or Prohibition of Motor Vehicle Use

69. The Authority may restrict or prohibit the use of a motor vehicle on a road absolutely or subject to conditions if it does not comply with the provisions of this Act, or the Rules and Regulations.
70. Any restriction or prohibition of the use of a motor vehicle under section 69 shall be by a notice issued to a driver or owner.

Impounding a motor vehicle

71. The police official or an authorized person may impound the motor vehicle under certain conditions specified in the Rules and Regulations.

Alternative modes of surface transport

72. The Department shall issue permit for the operation or use of alternative modes of surface transport in accordance with the specifications and standards prescribed by the Authority.
73. If any operator fails to abide by the safety conditions mentioned in section 71, the Authority shall impose fines and penalties prescribed in the Rules and Regulations.

Post-crash response

74. The Authority shall in collaboration with the relevant agencies, prescribe post-crash response procedures and service standards in the Rules and Regulations.
75. The relevant agencies shall collectively, or subject to the conditions take measures necessary to comply with the procedures and service standards as prescribed.

Surface Transport Safety Awareness Program

76. The Department shall conduct periodic awareness and training programs for enhancing surface transport safety in the Country.

Surface Transport Safety Fund

77. There shall be established a Surface Transport Safety Fund, maintained from the fines and penalties collected under this Act, and the Rules and Regulations to be used for surface transport safety activities.

CHAPTER V: MOTOR VEHICLE REGISTRATION, RENEWAL, LICENSING AND TRANSFER OF OWNERSHIP

Obligation to Register a Motor Vehicle

78. A person shall register a motor vehicle within fifteen days from the date of delivery from the dealer or from the date of customs clearance in Bhutan unless it is exempted under this Act.

79. No person shall use a motor vehicle or allow it to be used in breach of any condition of its registration.

Registration and Renewal of a Motor Vehicle

80. A motor vehicle shall only be registered in the name of a person who is 18 years of age or more, and shall not be registered in the name of more than one person.

81. A motor vehicle shall be registered in the name of an Individual, Government Agency, State Owned Enterprise, Corporation, business firm holding valid trade license, institution or a company registered under the Companies Act of the Kingdom of Bhutan.

82. The registration of a motor vehicle except vehicle belonging to the armed forces shall only be done by the Department if it is satisfied that the motor vehicle meets the prescribed requirements under this Act, and the Rules and Regulations.

83. If the Department refuses to register the motor vehicle under section 81, the person affected by the decision may request the Authority to review that decision.
84. Upon review of its decision under section 83, the Authority may confirm or alter the decision.
85. For the purpose of registration, the Government vehicle registration shall be only allotted to vehicles belonging to a government agency and state owned enterprise and corporation or as may be determined by the Government from time to time

Transfer of Ownership

86. It is the duty of a person selling the vehicle to transfer ownership within thirty days upon payment of applicable charges and taxes as prescribed under this Act, Rules and Regulations or any other relevant laws.
87. Notwithstanding anything contained in section 85, no taxes shall be imposed for transfer of ownership between government agencies, parents to children, spouses.
88. A person failing to comply with section 85 shall be liable for the fines and penalties as prescribed in the Rules and Regulations.
89. The registered owner of a motor vehicle shall be considered as the lawful owner of a vehicle in the event if the vehicle is involved in any acts which constitute an offence under this Act, Rules and Regulations or any other laws.

Licensing of Drivers, Operators and Instructors

Learner License

90. The Department may grant a learner license to a person if it is satisfied that he is:

- (1) Is 17 years of age or more but less than 58 years of age; and
 - (2) Fulfills the requirements prescribed in the Rules and Regulations.
91. A learner license holder shall abide by the conditions prescribed in the Rules and Regulations while learning to drive a motor vehicle.
92. A learner license is valid for the period specified and may be renewed in accordance with prescribed conditions.

Driving License

93. The Department may grant a driving license to a person if he:
- (1) Is 18 years of age or more but less than 60 years of age;
 - (2) Has held a learner license at least for the duration of three months; and
 - (3) Fulfill other requirements as prescribed in the Rules and Regulations;
94. A driving license may only be applied for, granted, refused, renewed, replaced, endorsed and valid for a period specified in the Rules and Regulations.
95. The requirement of a learner license may be exempted by the Department as per the prescribed conditions.

Driving Instructor certificate

96. A person shall possess a driving instructor certificate issued by the Department to qualify as an instructor of a driving training school or institute.
97. Notwithstanding anything contained in section 96, an instructor or any person teaching others to drive shall follow the requirements prescribed in this Act, and the Rules and Regulations.

Licensing of Operators

98. The Department shall issue a license to an operator to operate earth moving equipment (EME), and other alternative modes of surface transport in accordance with the conditions and requirements prescribed in the Rules and Regulations.

99. A person shall not operate earth moving equipment or other alternative modes of surface transport without a valid operator's license issued by the Department.

Suspension of license or certificate

100. The Authority shall suspend the license or certificate, if the person fails to comply with the conditions prescribed in this Act, or Rules and Regulations or disqualified under other laws.

101. If a person has had his license or certificate suspended for the duration specified, he is disqualified from driving, operating or teaching others to drive during the period of suspension.

Cancellation of license or certificate

102. The Department may cancel a license or certificate:

- (1) In case of the death of the license or certificate holder;
- (2) The holder of the license or certificate is medically unfit; or
- (3) Under any other conditions prescribed in Rules and Regulations;

103. A person whose license or certificate has been cancelled shall not drive, operate or teach others to drive.

CHAPTER VI: ALCHOLOL, NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES (NDPS)

104. A person shall not drive, operate or teach others to drive with any concentration of alcohol in his blood with the exception of section 105.

105. A driver holding ordinary driving license for more than three years may drive with alcohol level in the blood not exceeding 0.08 grams per 100 milliliters.

106. A person shall not drive, operate or teach others to drive under the influence of narcotic drugs and psychotropic substances.

Alcohol and NDPS Testing Device

107. The Alcohol and NDPS testing device duly certified or approved by the Authority shall be used to establish the level of alcohol concentration in a blood and abuse of NDPS by a driver, instructor or an operator.
108. The police official or an authorized person under this Act shall be permitted to use alcohol and NDPS testing device including laboratory test to establish alcohol content in the blood and to establish abuse of NDPS.
109. The police official or an authorized person while using the alcohol or NDPS testing device including laboratory test shall follow the testing procedures set out in the Rules and Regulations for the test to be valid under this Act.
110. The result of alcohol testing device or laboratory test is sufficient evidence of the concentration of alcohol in a person's blood and it is for that person to conclusively prove otherwise to the Court.
111. The result of NDPS testing device being positive shall be a sufficient evidence of drug abuse and it is for that person to conclusively prove otherwise to the Court.

Powers of the Police Official or an Authorized Person

112. The police official or an authorized person shall conduct the blood alcohol concentration test and the NDPS abuse test.
113. If the police official or an authorized person finds that the blood alcohol concentration of a driver exceeds permissible limit and that the driver is under the influence of NDPS abuse:

- (1) Shall demand the driver, operator or instructor to immediately hand over his driving license or certificate as appropriate;
- (2) Shall demand the person to keep the vehicle parked along the road side; or
- (3) In case of earth moving equipments or other alternative modes of surface transport, direct to stop operation; and
- (4) Forward the case to the relevant agency for further actions in accordance with the laws in force in case of NDPS tested positive.

114. For the purpose of section 113 (2), the person directed to park his vehicle along the road side shall make suitable arrangement to drive the vehicle to the destination.

115. For the purpose of sections 113 (2) and 114, the police official or an authorized person is under no liability if a damage, destruction or harm has been caused to the vehicle directed to park along the road.

Traffic Regulation

116. The Authority shall develop conditions in the Rules and Regulations to control traffic which shall be observed by a driver or an operator including pedestrians using the road.

117. The Authority shall require the relevant agencies to erect standard road traffic signs, symbols and road markings as may be required.

118. The regulation for emergency vehicles shall be as per the conditions prescribed.

Motor Vehicle Speed Limit

119. A person shall not drive a motor vehicle on any road in Bhutan:

- (1) At a speed in excess of the speed limit sign applying to the section of road on which the driver is driving or operation; and
 - (2) At a speed exceeding the speed limit prescribed through section 120.
120. The Authority in consultation with relevant agencies shall specify speed limit for different categories of motor vehicle including bicycle in the Rules and Regulations.

Speed Measuring Device

121. The Speed Measuring Device duly certified and approved by the Authority shall be used or deployed to establish the speed of a motor vehicle on a road including bicycle.
122. The police official or an authorized person shall use the speed measuring device and follow the prescribed procedures while using the device.
123. The speed measured by any speed measuring device approved by the Authority is sufficient evidence of the speed of a motor vehicle including bicycle.

Calibration

124. The Authority in collaboration with the relevant agencies, shall authorize the use of Alcohol, NDPS abuse testing and speed measuring devices specified under this Act as per the prescribed requirements.

Transport Infringement Notice (TIN)

125. The police official or an authorized person shall issue Transport Infringement Notice in the format approved by the Authority, to the driver of a motor vehicle, operator of equipment and other alternative modes of surface transport including bicycle and pedestrians, in order to enforce the provisions of this Act, and the Rules and Regulations.
126. A person who has been issued with a transport infringement notice shall pay the fines and penalties within the prescribed deadline.

127. If a person fails to pay the fine specified in the Transport infringement notice within the specified period, additional penalties prescribed in the Rules and Regulations shall be imposed.

The onus for payment of a fine

128. In case of traffic infringement, the responsibility for payment of fines or penalties lies on the driver or an operator to whom a notice is issued.

129. If a driver or an operator fails to pay fines or penalties under section 128, the liability to pay fines and penalties within the specified deadline shall be upon the registered owner.

TIN Cancellation or amendment

130. The police official or an authorized person may cancel or amend the TIN under those circumstances prescribed in the Rules and Regulations and not beyond.

CHAPTER VII: INSURANCE AND COMPENSATION

Obligation of the Owner

131. The owner of a motor vehicle or other alternative modes of surface transport shall not drive or operate or allow his or her motor vehicle to be driven on a road or operated without a valid certificate of insurance, either comprehensive or third party.

132. It shall be a requirement for a public transport and commercial vehicle to have comprehensive insurance policy.

Transfer of certificate of insurance

133. Where a person in whose name the certificate of insurance has been issued by the insurer, transfers the ownership of the motor vehicle to another person, the insurance policy shall be deemed to have been transferred along with the ownership and that the policy remains valid for the entire period for which the policy was originally taken by the previous owner.

Payment of Compensation

134. Insurance shall cover compensation in the event of an accident causing:
- (1) Damage to a motor vehicle or other alternative modes of transport;
 - (2) Damage to a third party property; or
 - (3) Injury or death to a person.
135. In the event of accident of a motor vehicle or other alternative modes of surface transport resulting in death or injury of a person, compensation shall be payable as prescribed in Rules and Regulations.
136. In the event of accident resulting in damage of a motor vehicle or third party property, an insurance compensation shall be paid in accordance with the sum and policy insured with the insurer.

Obligation of Insurer

137. The Insurer shall immediately upon receiving information of occurrence of an accident from any other person, or as informed by the vehicle owner or upon receiving accident report from the police, appoint a official who shall be responsible for assessing and processing that case until the completion of all formalities.
138. The official appointed shall without undue delay, be responsible to do the assessment, process the claims and complete all the formalities within reasonable time frame.
139. The driver or the owner of a public transport and commercial vehicle shall pay compensation to the victim of accident within seventy two hours of the motor vehicle accident, and the insurer shall compensate the insured or his representative within three working days after completion of all formalities.
140. Any late payment of compensation by the insurer, the insured or his representative will attract a 10% penalty payment to the person to receive the payment, for every day of delay without valid reason.

141. For the purpose of this chapter, the amount of insurance compensation may be subject to periodical review.

Compensation for damage to goods

142. In the event of loss or damage of goods while transporting in a hired vehicle, the issue of compensation shall be decided on the basis of agreement between the transporter and the owner of the goods.

Obligation of the Insurance Regulator

143. The Insurance Regulator shall prescribe a Third Party Premium and the liability of the insurer in consultation with the Authority.

CHAPTER VIII: COMMERCIAL & FOREIGN VEHICLE PERMIT, CONDUCTOR CERTIFICATE

144. The Department shall be responsible to issue:

- (1) Commercial vehicle permit;
- (2) Certificate for conductors of public transport, commercial vehicle or other alternative modes of surface transport; and
- (3) Foreign vehicle permit.

Obligation to hold a permit

145. A person shall not own or operate a public transport or commercial vehicle on a road without a permit issued by the Department under this Act.

146. A person who own or drive a motor vehicle which is meant to carry goods applies to carry passenger for reward, rate and fare, shall apply for a permit and the Department may under special circumstances as prescribed grant permit.

147. A person shall not operate or drive a public transport or commercial vehicle in breach of any condition in the Permit, Contract or contrary to the Rules and Regulations.

Permit and Certificate

148. All permit and certificate and renewal for such permit and certificate may be applied for, granted or refused by the Department in accordance conditions prescribed under this Act.
149. The Department may cancel or suspend any permit if the driver or the owner of a motor vehicle violates any requirements and conditions prescribed under this Act.
150. The Department shall cancel a commercial passenger vehicle permit if a contract between the holder of the permit and the Authority to provide public transport services is terminated, not renewed, cancelled or amended to exclude the particular vehicle.
151. The Department may cancel or suspend all or any commercial vehicle Permits held by a person if:
- (1) All or any of the vehicles do not comply with the motor vehicle standards or the vehicle specifications as prescribed; or
 - (2) An owner has not prevented a driver or conductor from contravening any provision under this Act, or the Rules and Regulations,
152. The Department shall immediately cancel or suspend a commercial passenger vehicle permit under sections 149 to 151, if from its records about the holder of the permit, found that canceling or suspending the license is in the public interest.
153. If a conductor of public transport or a commercial vehicle fails to abide by the prescribed conditions, the Department may cancel the certificate and impose fine and penalties as specified in the Rules and Regulations

Loading and seating capacity of Vehicle

154. A person shall not drive or allow a motor vehicle to be driven on a road if the vehicle is carrying passenger or load which is in excess of the manufacturers' specifications (GVW) for that type of vehicle or it exceeds the designed carrying capacity of the road or a bridge except the vehicles permitted under special conditions.
155. To determine the load a vehicle is carrying, an authorized person may:
- (1) Direct the driver of the vehicle to go to the nearest weigh bridge to weigh the vehicle and its load; or
 - (2) Use a portable weighing device provided for in the Rules and Regulations to determine the load the vehicle is carrying or the gross vehicle weight.
156. If the police official or an authorized person found that a vehicle is overloaded or exceeds the gross vehicle weight for the vehicle, he may:
- (1) Direct the driver to remove part of the load; or
 - (2) Direct the vehicle to the nearest place where the excess load can be safely taken off the vehicle.
157. Any person who refuses to obey a direction under section 155 and 156, or continues to drive the vehicle in an overloaded condition, the police official or an authorized person shall impose a fine as prescribed in the rules and regulations.
158. In addition to any fine under section 157, if a person does not allow him to perform their duty under 155 and 156, the Authority shall suspend all licenses held by that person and disqualify them from obtaining any license for a period of at least one year.
159. If a motor vehicle is weighed in accordance with sections 155, it is sufficient evidence of the weight of the load on the vehicle and it is for the driver of the vehicle to prove otherwise.

160. Proof of the load a particular vehicle is lawfully able to carry without being overloaded or its gross vehicle weight may be provided from the Authority's records and it will be sufficient evidence of that fact and it is for the driver or owner of the vehicle to prove otherwise.
161. The police official or an authorized person is authorized by this Act to use the portable weighing machine to determine whether the vehicle is overloaded or otherwise.

Foreign vehicle permit

162. A foreign registered vehicle shall not be allowed to ply in the country without a valid permit issued by the Department.
163. If the Department is satisfied that a foreign registered vehicle meets the requirements, conditions, and upon payment of applicable fees or charges as prescribed, grant permit to ply in the country.
164. In the event of any foreign registered vehicle plying without a valid permit issued by the Authority, the driver of the vehicle shall be imposed with a penalty as specified, and require the foreign registered vehicle to leave the country through issuance of notice.
165. Foreign registered vehicle plying in the country shall not be allowed to operate for commercial purpose except under the special conditions.
166. No Bhutanese citizen shall be allowed to drive or own foreign registered vehicle in the country.

Review of Decision

167. If the Department:
- (1) Refuse to issue or renew a permit or certificate; or
 - (2) Cancel or suspend a permit or certificate under this Chapter, the Department may confirm or vary its decision.

168. In reviewing a decision about a commercial passenger vehicle permit suspended under sections 149 to 152, the Department shall consider:

- (1) Whether the holder of the permit had adequate management practices in place to prevent the contravention; and
- (2) Whether the holder of the permit was able to exercise practical control over the person who contravened at the time of the contravention, to prevent the contravention.

CHAPTER IX: OFFENCES AND PENALTIES

Dangerous Driving

169. commits the offence of dangerous driving, if he drives a motor vehicle at a speed exceeding the limit prescribed in the Rules and Regulations, or in a manner which endangers, or poses risk to, the lives of oneself and other road users or damage to a third party property.

170. If a person commits offence under section 169 shall be liable for monetary penalty prescribed in the rules and regulations for the first offence and suspension of his or her license for a period of six months in addition to the monetary penalty for subsequent offence.

Culpable Driving

171. A person who drives a motor vehicle with gross disregard to the safety of oneself and other road users causes injury or death to a person or damage to a third party property shall be guilty of offence for culpable driving.

172. For the purposes of section 171, a person drives a motor vehicle culpably if he drives a motor vehicle:

- (1) Recklessly, that is to say, if he consciously and unjustifiably disregards a substantial risk that the death of another person or the infliction of grievous bodily harm upon another person may result from his driving; or

- (2) Negligently, that is to say, if he fails unjustifiably and to a gross degree to observe the standard of care which a reasonable man would have observed in all the circumstances of the case; or
- (3) Under the influence of alcohol to such an extent as to be incapable of having proper control of the motor vehicle; or
- (4) Under the influence of a drug to such an extent as to be incapable of having proper control of the motor vehicle.

173. A person who commits an offence under the section 171 shall be liable for misdemeanor in case of injury and property damage. However, in case of the death of a person, shall be liable as per the penal code of Bhutan.

174. Except section 172 (1) and (2), a person culpably driving under the influence of alcohol and drug to such an extent as to be incapable of having proper control of the motor vehicle as stated under section 172 (3) and (4), shall be in addition to the penalty prescribed in section 173, liable to pay compensation to the victim as prescribed in the Rules and Regulations.

Hit and Run

175. The driver of a motor vehicle, who involved in a road crash with another vehicle, property, human being or animal, and leaving the scene without identifying him/her or offering help to those who need assistance due to the road crash shall be guilty of the offence of hit and run.

176. A person who commits an offence under section 175 shall be liable as under:

- (1) In case of death, as per the penal code of Bhutan;
- (2) In case of injury, misdemeanor; and
- (3) In case of the property damage, petty misdemeanor.

177. In addition to the penalty prescribed under section 176, the victim shall be paid compensation as prescribed in the Rules and Regulations.

Unsafe Commercial Vehicle

178. A person who drives or allows others to drive a public transport vehicle with mechanical defect shall be liable for a penalty prescribed in the rules and regulations.
179. If a person is killed or injured as a result of mechanical defect, the compensation shall be paid as prescribed in the Rules and Regulations.
180. Exception to Section 178, if a driver:
- (1) Proves that the mechanical defect was not the cause of the accident;
 - (2) Proves that he did not know and could not reasonably have known of the mechanical defects;
 - (3) Proves that the cause of accident is due to owner's inaction to rectify the recommended mechanical defect.

Unauthorized alteration

181. A person altering a motor vehicle without an authorization from the registering Department shall be liable in accordance with the Rules and Regulations.

Tampering with the motor vehicle documents

182. A person who tempers the motor vehicle documents shall be liable in accordance with the Penal Code of Bhutan.

Failing to register a motor vehicle

183. A person failing to register a motor vehicle under section 78 or driving or allowing driving a motor vehicle without fulfilling the conditions as mentioned in section 79 shall be guilty of an offence and Department shall impose a fine of Nu. 100 per day from the day of default.

Illegal use of Motor Vehicle Number

184. A person who illegally uses a motor vehicle through deceptive registration practices shall be guilty of offence shall be dealt as per the penal code of Bhutan.

General offences and penalties

185. A person refusing to allow the police official or an authorize person to carry out lawful duty shall be liable as per the penal code of Bhutan.
186. If a person uses a motor vehicle or operates other modes of surface transport contrary to the conditions prescribed under this Act and, the Rules and Regulations shall be liable for a fine prescribed in the Rules and Regulations.
187. If a person drives a motor vehicle or operates other modes of surface transport without a valid driving license and other documents required under this Act, or Rules and Regulations shall be liable for a fine prescribed in the Rules and Regulations.
188. If a person is found driving a motor vehicle or operating other alternative modes of transport after suspension and cancellation of his license or any other documents under this Act, a fine prescribed in the Rules and Regulations shall be imposed.
189. If a driver or an operator is found driving or operating under the influence of alcohol, he shall be imposed with a fine, and made to undertake remedial course as per the Rules and Regulations.
190. If a driver or operator is found driving or operating under influence of narcotic drugs or psychotropic substances, a driver or an operator shall be liable for penalty as prescribed in the Rules and Regulations, and may refer to the agency concerned as per the relevant laws.
191. A driver, operator or bicycle rider found driving, operating or riding beyond the speed limit as prescribed shall be liable for a fine and penalty prescribed in the rules and regulations.
192. If a person holding a learner license while learning to drive fails to abide by the conditions prescribed under this Act or Rules and Regulations shall be liable for a fine as prescribed.

193. If a person fails to produce a valid certificate of insurance during the time of renewal of documents, shall be disallowed for renewal of documents unless the same is being produced.
194. If a person drives a motor vehicle without a permit being issued by the Authority shall liable for a fine as prescribed in the Rules and Regulations.
195. A person shall be liable for a fine as prescribed in the Rules and Regulations for obstruction of thoroughfare, if the person holds no legal privilege to do so and purposely or recklessly obstruct the roadways causing inconveniences to other passersby.
196. A motorist or a pedestrian shall be liable for a fine as prescribed in the Rules and Regulations if a road crash occurs to other road users due to his negligence in following traffic signs and signals.
197. If a person is a repeated offender for the offences under this Act, or Rules or Regulations, the Authority may enhance fines and penalties in the Rules and Regulations and impose accordingly.
198. If a person is found in breach of any provisions of this Act and no offences and penalties are prescribed for that purpose, this Act empowers to prescribe offences and penalties in the Rules and Regulations.
199. If any owner, driver or operator of motor vehicle or other alternative mode of surface transport fails to comply with the directives issued by the Authority, Department, Police Official or an authorized person under this Act, shall be liable for fines and penalties as under this Act, Rules and Regulations or any other relevant laws.
200. If an Instructor is found in breach of any conditions or requirements prescribed in this Act and, Rules and Regulations, the Department shall impose a fine and may suspend or cancel the driving instructor certificate in accordance with the Rules and Regulations.
201. If the Department is satisfied that the operator failed to comply with the licensing conditions and any other requirements under this Act, or the

Rules and Regulations, the Department shall impose a fine and may suspend or cancel the certificate in accordance with the Rules and the Regulations.

CHAPTER IX: MISCELLEANOUS

Appeals

202. A person may appeal to the Court against:

- (1) A decision by the Department not to grant, issue, or renew a license, certificate or registration or transfer of a registration;
- (2) The issue of Transport Infringement notice; and
- (3) The use of a power under this Act or Rules and Regulations by the Department or Authority and the police official or an authorized person.

Power to investigate road crashes

203. In the event of road crash cases, the police official or authorized official shall carry out the investigation and may provide report to the agencies concerned.

204. In the event of a road crash involving death or injury to a person or damage to a property, the Court may grant remand order to the investigating agency if the defaulter fails to produce surety or indemnify the damages.

Service of notices

205. If any provision of this Act, or the Rules and Regulations provide that a notice may be issued or served, it is sufficient evidence that the notice was issued or served if:

- (1) The process in the Act or the Rules and Regulations is followed; and
- (2) If it is required to be sent to a person's address, the notice was sent to the address listed in the Department's record.

Records of the Department

206. In any proceedings before a Court about an offence under this Act, the records of the Department are sufficient to establish any fact that the records relate to in those proceedings, until the contrary is proven.

Power to make Rules and Regulations

207. Where the power to make Rules and Regulations for some purpose under this Act is not specified, the Authority may develop the Rules and Regulations and submit to the Board for approval. The Rules and Regulations shall come into effect upon approval by the Board.

Emergency Rules and Regulations making

208. The Department or Secretariat may dispense with the procedure of Rules and Regulations making under this Act, if the time taken to comply with the procedures has potential to cause considerable harm or losses for the person likely to be affected by such Rules and Regulations or without having Rules and Regulations in Place.

209. If the Department or Secretariat makes Rules and Regulations under section 208, the Department or Secretariat shall submit reasons for invoking section 208 to the Board within one week.

210. Unless the Board communicates its approval in writing within thirty days to the Department or Secretariat, the Rules and Regulations made under section 208 will cease to have effect after a period of ninety days from the date on which the Rules and Regulations are being made. Provided that, where the approval of the board is not received in writing, the Rules and Regulations made under section 208 will continue to have effect beyond the period of ninety days, if the Department or Secretariat completes the

Rules and Regulations making procedures under this Act within the period of ninety days.

Amendment

211. The amendment of this Act by way of addition, variation or repeal may be effected only by the Parliament.

Authoritative text

212. In any instance of a difference in meaning between the Dzongkha and English texts of this Act, each text shall be regarded as equally authoritative and the Courts shall reconcile the two texts.

Interpretation

213. In this Act, unless the context indicates otherwise, the singular shall include the plural and masculine shall include the feminine gender.

Definition

1. "Authority" means the Surface Transport Authority established under section 9 of this Act.
2. "Authorized person" means a person authorized by the Authority or Department to carry out responsibilities, duties or functions under this Act.
3. "Alcohol Testing Device" means a device used to establish a person's blood alcohol concentration by analyzing his or her breath.
4. "Arm Forces" means the Royal Bhutan Army, Royal Body Guard and Royal Bhutan Police.
5. "Certificate" means a certificate issued by the Department under this Act or the Rules and Regulations.
6. "Certificate of Insurance" means a certificate issued by the Insurance Company, certifying that a motor vehicle is insured for the period specified therein.

7. "Commercial goods" means goods imported or exported for sale or for any industrial, occupational commercial, institutional or use for some other commercial purposes.
8. "Commercial Vehicle" means a motor vehicle intended to be used for carrying passengers or commercial goods for hire or reward in the course of trade or business which has been authorized by the Department.
9. "Commercial Vehicle Permit" means a permit issued by the Department for carrying passengers or commercial goods.
10. "Comprehensive insurance policy" means a policy as defined and construed in accordance with the policy documents of an insurer.
11. "Conductor Certificate" means a certificate issued to a conductor of a scheduled passenger bus.
12. "Contract of Insurance" means a contract or agreement entered into between the owner of a motor vehicle or other alternative modes of surface transport and the Insurance Company for compensation in the event of an accident leading to injury, death of a person and damage to property.
13. "Driver" means a person driving a motor vehicle.
14. "Driving License" means a license to drive a motor vehicle on a road granted under this Act.
15. "Gross Vehicle Weight" means " the total weight of the laden and the unladen weight of a motor vehicle.
16. "Heavy Vehicle" means a motor vehicle exceeding 10 tones gross vehicle weight (which is not a bus) or a bus seating 25 and more adults (including the driver).
17. "Injury" means and includes disability whether partial or total, temporary or permanent, to a person as a result of motor vehicle crash.
18. "Insured" means the person entering into the contract of insurance with the insurance company.
19. "Insurer" means the Insurance Company.

20. "Instructor Certificate" means a driving instructor certificate issued by the Department under this Act.
21. "Instructor" means a person holding an instructor certificate and teaching others to drive a motor vehicle as a profession.
22. "Learner License" means a license to learn to drive a motor vehicle on a road issued under this Act.
23. "License" includes a learner license, driving license and any other category of license issued by the Department under this Act.
24. "Light Vehicle" means a motor vehicle (which is not a two-wheeler) seating not more than 12 adults (including the driver) and not exceeding 3 tones gross vehicle weight.
25. "Medium Vehicle" means a motor vehicle (which is not a bus) exceeding 3 tones but not exceeding 10 tones gross vehicle weight or a bus seating between 13 to 24 passengers.
26. "Motor Vehicle" means a vehicle which has its own motive power but not human or animal power and is used or intended to be used on a road, and includes a two wheeler and to avoid any doubt includes a commercial vehicle and public transport.
27. "Operate" means to carry passengers or commercial goods for hire or reward or in the course of trade or business.
28. "Operator" means a person operating passenger buses, earth moving equipment and other alternative modes of surface transport.
29. "Other alternative modes of surface transport" means any modes of transport except air and road transport which includes earthmoving equipment, cable cars etc.
30. "Owner" in relation to a motor vehicle or other alternative modes of surface transport means the person in whose name the vehicle or other alternative modes of transport is registered.
31. "Person" means an individual, a licensed business firm, partnership, corporation, registered association, incorporated company, government

agency, or other association of persons, representative, which is recognized as a separate legal entity.

32. “Police Official” means a traffic personnel working under Traffic Division, Royal Bhutan Police including those police officials who are authorized by Royal Bhutan Police to carry out enforcement and monitoring functions of this Act.
33. “Public Transport” means a passenger transport service which is available for use by the general public such as passenger buses, taxis, city buses, trolley buses, passenger trains and does not include private arrangement for some specific purposes.
34. “Road” means:
- (1) A motorway
 - (2) Street;
 - (3) A passage to which the public have right of way; and
 - (4) All bridges, tunnels and road infrastructure.
35. “Road User” means any driver, operator, rider, traveler or pedestrian using the road to commute.
36. “Speed Limit Sign” means a sign indicating the maximum or minimum speed limit for the category of vehicles prescribed under this Act or the Rules and Regulations.
37. “Third party insurance” means a policy as defined and construed in accordance with the policy documents of an insurer.
38. “Traffic sign” means a sign prescribed under this Act or the Rules and Regulations.
39. “Surface Transport” means a road transport and any other alternative modes of surface transport.
40. “Surface Transport Agreement” means the Motor Vehicle or other alternative modes of transport Agreement entered into with any other country to regulate the movement of motor vehicle traffic and transportation of goods between the two countries.

41. "Transport Infringement" means any offence committed by a person driving a motor vehicle or operating other alternative modes of transport including pedestrian under this Act or the Rules and Regulations.
42. "Transport Infringement Notice" means a notice issued by the police official or an authorized person in a format approved by the Authority to a driver or an operator including pedestrian who is in breach of the provisions in this Act, and the Rules and Regulations.
43. "Two Wheeler" means a two-wheeled motor vehicle which has its own motive power but not human or animal power.

