

ROAD SAFETY AND TRANSPORT ACT 1999

1. **Act Title:** Road Safety and Transport Act 1999.
2. **Commencement:** The Act comes into operation with effect from 21 July 1999 corresponding to 8th day of the 6th month of Earth Hare Year.
3. **Purpose of the Act**
 - (1) The purposes of this Act are:
 - (a) to provide for the safe and efficient use of road system of the Kingdom of Bhutan;
 - (b) to establish systems and procedures for the licensing of drivers and the registration of motor vehicles;
 - (c) to provide for an efficient and safe public transport system;
 - (d) to establish a Road Safety and Transport Authority to manage the delivery of objects and functions of this Act.
 - (2) This Act applies to:
 - (a) all civilian vehicles registered in the country;
 - (b) all vehicles belonging to the 3 armed forces and personnel working for these organizations in so far as road safety and traffic regulations are concerned;
 - (c) vehicles registered in other countries and plying within Bhutan in accordance with the transport agreement, in relation to safety and traffic regulations.

4. Parts and Divisions

This Act is divided into the following parts:

- (a) Part 1-Administration.
- (b) Part 2-Road Safety.
- (c) Part 3-Commercial Vehicles.
- (d) Part 4-Offenses and Legal Proceedings.

5. Definitions

In this Act –

"Authority" means the Road Safety & Transport Authority established under Section 7 of this Act.

"Authorized person" means a person authorized by the Authority to carry out duties or functions under this Act.

"Alcohol Testing Device" means a device used to establish a person's blood alcohol concentration by analyzing his or her breath.

"Army" means the Royal Bhutan Army and Royal Body Guard.

"Commercial Passenger Vehicle" means a motor vehicle intended to be used for carrying passengers (with or without goods) for hire or reward in the course of trade or business, and includes commercial public bus, private bus, a taxi and in certain cases trucks (With or without goods) which has been authorized by the Authority to carry designated number of passengers in a designated route for a specified period of time.

"Commercial Passenger Vehicle License" means a license issued under Part 3 of this Act.

"Certificate" means a certificate issued under Part 3 of the Road Safety & Transport Act 1999 and Regulations 20 & 21 of the Road Safety & Transport (Commercial Passengers Vehicles) Regulations 1999.

"Driver" means the person driving a motor vehicle.

"Driver License" means a license to drive a motor vehicle on a highway granted under Part 2 of this Act.

"Gross Vehicle Weight" means "the laden weight which is the maximum permissible weight for a motor vehicle and its load which is stated in the certificate of registration.

"Heavy Vehicle" means a motor vehicle exceeding 10 tonnes gross vehicle weight (which is not a bus) or a bus seating more than 25 adults (including the driver).

"Highway" means a road, lane, bridge or place open to the public for the passage of vehicles and includes the pedestrian sidewalk.

"Instructor License" means a driving instructor license issued under Part 2 of the Road Safety & Transport Act 1999 and Regulation 64 of the Road Safety & Transport (Registration & Licensing) Regulations 1999.

"Instructor" means a person holding an instructor license.

"Learner License" means a license to learn to drive a motor vehicle on a highway issued under Part 2 of this Act.

"License" includes a driver license, an instructor license and learner license.

"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 tonnes gross vehicle weight.

"Medium Vehicle" means a motor vehicle (which is not a bus) exceeding 3 tonnes but not exceeding 10 tonnes gross vehicle weight or a bus seating between 13 and 24 passengers.

"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 highway, and includes a two wheeler and to avoid any doubt includes a commercial passenger vehicle.

"Operate" means to carry passengers for hire or reward or in the course of any trade or business.

"Owner" in relation to a motor vehicle means the person who owns the vehicle or if the vehicle is under a financial agreement with another person or the institute, the person or institute who has loaned the money.

"Parking infringement" means parking a motor vehicle on a highway in contravention of the Regulations.

"Penalty unit" is the penalty unit amount multiplied by the number specified in the relevant section of the Act or Regulation, which will equal the penalty to be imposed on the person committing the offence.

"Penalty unit amount" means Nu. 50 or as specified from time to time.

"Person" means an individual or an incorporated company.

"Police Officer" means the Royal Bhutan Police Force.

"Speed Limit Sign" means a sign set out in the Regulations of this Act.

"Taxi" means a motor vehicle licensed as a taxi under the Road Safety & Transport (Commercial Passenger Vehicle) Regulations 1999.

"Traffic Infringement" means an offence against this Act or the Regulations by a person driving a motor vehicle.

"Traffic Infringement notice" means a notice issued by an authorized person or a police officer, to a person for a parking or traffic infringement.

"Traffic sign" means a sign set out in the Regulations.

"Transport Agreement" means the Motor Vehicle Agreement entered into with any other country to regulate the movement of motor vehicular traffic between the two countries.

"Two Wheeler" means a two-wheeled motor vehicle which has its own motive power but not human or animal power.

6. Repeal of Motor Vehicles Act 1976

With this Act coming into force, the whole of the Motor Vehicles Act 1976 is repealed.

PART 1- ADM1NISTRATION

7. Road Safety and Transport Authority

- (1) There is established a Road Safety and Transport Authority within the Ministry of Communications.
- (2) The Authority comprises of the Director and Officers to carry out its functions and duties.
- (3) The terms and conditions of employment of officers of the Authority shall be as per the Bhutan Civil Service Rules.

8. Objects & Functions of the Road Safety and Transport Authority

The Authority has the following functions:

- (a) to develop and implement road safety strategies, and to develop, promote administer road safety education and training programs;
- (b) to specify road accident prevention practices and to promote the adoption of those practices within the community;
- (c) to develop and supervise regulations applicable to road traffic;
- (d) to improve the efficiency and effectiveness of transport passenger facilities and networks to meet the needs of the community;
- (e) to ensure that a public transport system provided in the kingdom is efficient, effective, safe and reliable;

- (f) to enter into a contract with any person or body for the provision of any transport service;
- (g) to develop, improve and co-ordinate the provision of transport services;
- (h) to formulate transport policies and monitor the performance of any person or body contracted to provide transport services within the kingdom;
- (i) to develop, co-ordinate, implement and monitor strategic plans and resource budgets;
- (j) to provide, improve or construct appropriate passenger transport facilities within the kingdom;
- (k) to provide and implement vehicle registration and driver licensing procedures and systems;
- (l) to develop and implement traffic management strategies and practices;
- (m) to develop and train all personnel to carry out their duties and responsibilities effectively and efficiently, to interact with the public in a helpful and courteous manner and to enhance their work skills;
- (n) to maintain a high level of motivation, performance, team work and safe working practices and to develop a strong sense of commitment to the organization in keeping with community standards; and
- (o) to facilitate accountability at all levels by maintaining suitable information and reporting systems.

9. Accountability

- (1) The Authority is responsible to the Minister of Communications.
- (2) The Minister of Communications may:
 - (a) give directions to the Authority in carrying out its role;
 - (b) set targets for the Authority to achieve and the time frame for achieving those targets;
 - (c) delegate to any officer of the Authority any of the Minister's powers or duties specified under this Act except:
 - (i) this power of delegation;

- (ii) the power to give directions or set targets;
- (d) set fees concerned with the licensing of commercial passenger vehicles in consultation with the Ministry of Finance.

10. Budget and the Authority

- (1) The Authority must submit to the Minister each financial year an operating budget in accordance with his or her directions.
- (2) The Minister must consult with the Minister of Finance before setting directions under sub-section (1).
- (3) The Minister may approve, alter or vary the budget submitted by the Authority after consultation with the Minister of Finance.
- (4) The Authority must operate within the budget approved by the Ministry of Finance.

11 Banking

- (1) The Authority may establish bank accounts to conduct financial transactions under this Act, in consultation with the Ministry of Finance.
- (2) All revenues generated through the administration and enforcement of this Act and the Regulations must be deposited into the Revenue Account of the Ministry of Finance.

12. Delegation by the Authority

The Authority may, by instrument delegate all or any of its powers under this Act to an officer of the Authority or an officer of another Government agency, but not this power of delegation.

13. Divulging Information

- (1) A person who is or has been an officer of the Authority or a police officer must not divulge the content of any record prepared under this Act, unless the Act or the Regulations allow it.

Penalty: 5 Penalty units

- (2) Sub-section (1) does not apply to information:
 - (a) connected with the lawful administration of this Act; or
 - (b) connected to legal proceedings under this Act.

14. Liability of Director and Officers.

In carrying out their duties under this Act in good faith, the Director and Officers of the Authority or an authorized person will not be subject to any action, liability claim or demand by any other person.

15. Power to Make Regulations

- 1) The Minister may make regulations under this Act about the matters set out in schedule 1.
- 2) Any Regulations made under this Act may:
 - (a) apply at specific times;
 - (b) apply to specific parts of the Kingdom;
 - (c) leave a matter to be approved by a specific person or class of persons or a body;
 - (d) adopt or incorporate a standard, code specification or document published by any other organization:
 - (i) at a specific time or as amended from time to time or
 - (ii) as amended by the Regulations;
 - (e) exempt conditionally or unconditionally any person, class of persons or activity from the regulations;
 - (f) set and or revise a penalty for any offence under the regulations;
 - (g) establish a penalty regime for the overloading of vehicles including a penalty for each tonne by which the maximum load for a vehicle is exceeded;
 - (h) set reasonable fees and charges for any matter in the regulations, including maximum and minimum fees;
 - (i) set out the circumstances where a refund of a fee or charge may be given to any person or class of persons.

PART 2-ROADSAFETY

16. Purpose

The purposes of this part are to:

- (a) provide for the safe, efficient and equitable use of roads in the Kingdom;
- (b) improve and simplify procedures for the registration of motor vehicles and the licensing of drivers;
- (c) provide for improved safety in the condition of vehicles in the Kingdom;
- (d) provide for safer driver performance in the Kingdom.

17. General Duty of Drivers

- (1) Every driver must drive a motor vehicle in a safe and courteous manner and take into account the traffic and road conditions prevailing at the time and in particular:
 - (a) take all reasonable steps to avoid accidents;
 - (b) comply with this Act and the regulations while driving including obeying traffic signs;
 - (c) ensure that the motor vehicle being driven is in a safe and serviceable condition;
 - (d) obey all lawful directions of an authorized person or a police officer.
- (2) Every driver must carry his driving license when driving and produce it on demand by an authorized person or a police officer.

Penalty: 5 Penalty units

Division 1- Registration of Motor Vehicles

18. Obligation to Register Motor Vehicles

- (1) A person must not-
 - (a) use a motor vehicle on a highway; or
 - (b) own a motor vehicle which is used on a highway -

unless that motor vehicle is registered with the Authority or exempted from registration under the regulations.

- (2) A person must not use a motor vehicle or allow it to be used in breach of any condition of its registration;
- (3) A person who contravenes sub-sections (1) or (2) is guilty of an offence.

Penalty: 6 Penalty units

19. Name for Registration

- (1) A motor vehicle may only be registered in the name of a person who is 18 years of age or more.
- (2) A motor vehicle will not be registered. -..
 - (a) in a business name; or
 - (b) in the name of more than one person.
- (3) A motor vehicle may be registered in the name of corporation established under the law of Bhutan or the law of another country as designated by the Authority.

20. Registration, Renewal and Transfer

- (1) The Authority is responsible for the registration of all motor vehicles in the Kingdom, in accordance with this Act.
- (2) Registration, renewal of registration and transfer of registration may be applied for and granted or refused in accordance with the Regulations.
- (3) The Authority must register a motor vehicle if it is satisfied that the motor vehicle meets the requirements of the Act and Regulations.
- (4) The Authority may cancel or suspend the registration of a motor vehicle in accordance with the Regulations.
- (5) If the Authority refuses to register, renew registration or transfer registration or cancels or suspends the registration, the person affected by the decision may request the Authority to review that decision.
- (6) Upon review of its decision under sub-section (5), the Authority may confirm or alter its decision.

21. Power to Inspect Motor Vehicles

- (1) An authorized person or a police officer may inspect a motor vehicle at any reasonable time or direct a person to present a motor vehicle for inspection to determine whether it complies with the Act and Regulations.
- (2) If a person fails or refuses to allow an authorized person or a police officer to inspect a motor vehicle or present the motor vehicle for Inspection as directed by an authorized person or police officer, he or she is guilty of an offence.

Penalty: 5 Penalty units.

22. Power to Prohibit Motor Vehicle Use

- (1) The Authority or an authorized person or a police officer may prohibit the use of a motor vehicle on a highway absolutely or subject to Conditions if It does not comply with the Act or the Regulations.
- (2) Any prohibition of the use of a motor vehicle under sub-section (1) must be by a notice issued in accordance with the Regulations.
- (3) If a person uses a motor vehicle on a highway contrary to sub-section (1), he or she is guilty of an offence

Penalty: 6 Penalty units

23. Motor Vehicle Standards

- (1) The Authority may from time to time publish standards to apply to motor vehicles about construction, efficiency, safety, design and equipment.
- (2) Those standards may not be applied retrospectively, but be in addition to those in the Regulations.
- (3) If a motor vehicle does not comply with any standard relevant to it:
 - (a) the Authority may cancel or suspend its registration;
 - (b) an authorized person or police officer may prohibit the use of the motor vehicle under section 22.

Division 2-Driver Licensing

24. Purpose or Driver Licensing

The purposes of driver licensing are:

- (a) to ensure that people who drive motor vehicles on highways are competent drivers;
- (b) to ensure that drivers are aware of safe driving practices and traffic rules;
- (c) to ensure that people who are, or who become, unsuited to drive are not permitted to drive on highways; and
- (d) to enable the identification of drivers for the purposes of law enforcement and accident investigation.

25. Obligation to Hold a Driver License

- (1) A person who drives a motor vehicle on a highway and:
 - (a) does not hold a driving license at all; or
 - (b) breaches a condition of the license - commits an offence.

Penalty: 1.5 Penalty units

- (2) Sub-section (I) does not apply to person exempted by the Authority or by the Regulations.

26. Driver Licenses

- (1) The Authority is responsible for the licensing of drivers and the issuing of licenses to people to learn to drive a motor vehicle in the Kingdom.
- (2) The Authority may grant a driver license to a person if it is satisfied he or she is qualified to hold a driver license and:
 - (a) is 18 years of age or more;
 - (b) has complied with formalities set out by the Authority;
 - (c) has the qualifications set out in the regulations;
 - (d) has held a learner license for at least 6 months.
- (3) The Authority may grant a driver license in accordance with the Regulations.
- (4) A driver license may only be applied for, granted, refused, renewed in accordance with the regulations.

- (5) A person who holds a driver license must be in possession of the license when driving a motor vehicle.

Penalty: 5 Penalty units

- (6) A driver license remains in force only for the period specified in the regulations.
- (7) A person who holds a driver license must not drive" a motor vehicle on a highway contrary to any condition specified in the license.

27. Learner License

- (1) The Authority may grant a learner license to a person if it is satisfied that he or she is qualified to hold a learner license and:
 - (a) is 17 years of age or more;
 - (b) complies with the formalities set out by the Authority;
 - (c) has the qualifications set out in the regulations.
- (2) A learner license authorizes the holder to drive the category of motor vehicle it specifies.
- (3) A learner license may be applied for, granted, extended or refused only as set out in the regulations.
- (4) A person who holds a driver license must be in possession of such license when driving a motor vehicle.

Penalty: 5 Penalty units

- (5) A learner license is valid for the period specified in the regulations but may be extended in accordance with the regulations.

28. Suspension and Cancellation or Licenses

- (1) The Authority must cancel or suspend a license if required by the Act or Regulation.
- (2) If a person has had his or her license cancelled, he or she is disqualified from obtaining a license for the period of the cancellation and must not apply for another license during that time.

Penalty: 10 Penalty units

- (3) If a person has had his or her license suspended, he or she must not:

- (a) drive a motor vehicle during the suspension period;
- (b) if it is an instructor license, teach another person to drive.

Penalty: 15 Penalty units

- (4) A person must not apply for a license during the suspension period.

Penalty: 10 Penalty units

29. Applications for Licenses and Renewal

- (1) An application for a license must be in accordance with the Regulations.
- (2) An application for the renewal of a driver or instructor license or extension of a learner license must be in accordance with the Regulations.
- (3) If an applicant for a license or renewal or extension of license supplies false or misleading information to the Authority:
 - (a) the application will be void and of no effect; and
 - (b) any license issued or extended will be void and of no effect.
- (4) If the Authority refuses to grant, renew or extend a license, the person affected by the decision may request the Authority to review that decision.
- (5) Upon review of its decision under sub-section (4) the Authority may confirm or alter its decision.

Division 3 - Driving Instructors

30. Purpose of Driving Instructor License

The purposes of licensing driving instructors are:-

- (a) to ensure that people who teach people to drive are competent in their profession;
- (b) to ensure that people learning to drive with a driving instructor receive instruction from competent people;
- (c) to ensure that people learning to drive receive competent instruction in:
 - (i) proper vehicle control;

- (ii) safe and courteous road behaviour; and
- (iii) the traffic roles of the Kingdom.

31. Obligation to Hold a Driving Instructor License

- (1) A person must not teach others to drive:
 - (a) as a profession; or
 - (b) for any fee or reward

unless he holds an instructor license issued by the Authority.

Penalty: 20 Penalty units

- (2) Sub-section (1) does not apply to a person of the immediate family of the person being taught if he or she holds a current driver license.

32. Driving Instructor Licenses

- (1) The Authority is responsible for the licensing of driving instructors in the Kingdom.
- (2) The Authority may grant an instructor license to a person if it is satisfied that he or she is qualified to hold an instructor license and:
 - (a) they are 25 years of age or more;
 - (b) they comply with the formalities set out by the Authority;
 - (c) they have the qualifications set out in the Regulations.
- (3) The Authority may grant an instructor license in accordance with the Regulations.
- (4) An instructor license may only be applied for, granted refused or renewed in accordance with the Regulations.
- (5) A person who holds an instructor license must be in possession of the license when teaching another person to drive a motor vehicle.

Penalty: 5 Penalty units.

- (6) An instructor license remains in force for the period specified in the Regulations
- (7) A person who holds an instructor license must not contravene any condition specified in it.

Penalty: 15 Penalty units.

Division 4 -Alcohol and Drugs

33. Purpose of Division

- (1) The purposes of this Division are to:
 - (a) reduce the number of motor vehicle accidents which are caused by alcohol or drugs;
 - (b) reduce the number of drivers whose driving is impaired by alcohol or drugs;
 - (c) provide the means by which the level of alcohol in a person's blood may be established.
- (2) In this Division, a person driving a motor vehicle includes a person or instructor actually teaching another person to drive as well as the person actually driving and the Division will apply accordingly.

34. Obligations and Offences

- (1) A person must not drive a motor vehicle:
 - (a) while under the influence of intoxicating liquor or any drug of addiction to an extent that they are incapable of having proper control over the motor vehicle;
 - (b) if the level of alcohol in their blood exceeds 0.08 grams per 100 milliliters
 - (c) if they have held a driver license for less than three years or hold a learner license, with any concentration of alcohol in their blood;
 - (d) if they are driving a taxi, medium or heavy vehicle, with any concentration of alcohol in their blood.
- (2) A person is guilty of an offence if he does not comply with sub-section (1).

Penalty: 25 Penalty units

35. Alcohol Testing Devices

- (1) The Regulations may provide for alcohol testing devices to establish the level of alcohol concentration in a person's blood for the purpose of determining an offence under section 34.
- (2) An authorized person or a police officer is authorized by this Act to use alcohol testing devices.
- (3) An authorized person or a police officer must follow the testing procedures set out in the regulations; otherwise the test will be invalid under this Act.
- (4) The result of any alcohol testing device 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.

36. Powers or Authorized Persons and Police officer

- (1) If an authorized person or a police officer finds that the blood alcohol concentration of a driver exceeds 0.08 grams per 100 milliliters or that the driver is under the influence of intoxicating liquor under the meaning of section 34(1)(a):
 - (a) they may demand the driver immediately to hand over his or her license and if appropriate, driver certificate; and
 - (b) the license and driver certificate is immediately suspended until the matter is dealt with by the Court.
- (2) If the driver of a motor vehicle does not comply with sub-section (1) (a) he or she is guilty of an offence.

Penalty: 15 Penalty units

37. License Cancellation

If a person is found guilty of an offence under sections 34 or 36, in addition to any penalty, all licenses and driver certificates must be cancelled and he or she will be disqualified from obtaining any license or driver certificate for a period of at least 6 months, or as determined by the Court.

Division -5- Traffic Regulation

38. Purpose of Division

The purposes of this Division are:

- (a) to provide for the safe and efficient use of the road network;
- (b) to establish safe speeds of operation by drivers of motor vehicles;
- (c) to establish a Transport Infringement Notice System as an enforcement tool; and
- (d) to regulate the hours of driving of any motor vehicles to ensure their safe operation and the safety of other users.

39. Motor Vehicle Speed Limit

- (1) In the Kingdom, a person must not drive a motor vehicle on any highway:
 - (a) at a speed in excess of a speed limit sign applying to the section of highway on which the driver is driving;
 - (b) at a speed exceeding the speed specified in the Regulation for medium or heavy vehicles;
 - (c) at all other times, at a speed in excess of 50 kilometers per hour.

Penalty: 10 Penalty units

- (2) The Regulations may specify a speed limit which applies to an area without Speed limit signs being erected in that area.
- (3) The Authority, in conjunction with the Police is authorized by this Act to erect speed limit signs on a highway.

40. Traffic Control

- (1) The Regulations may provide for the rules to be observed by all drivers of motor vehicle and pedestrians using a highway.
- (2) The matters for which the Minister may make Regulations for the control of traffic are set out in Schedule 1.

41. Transport Infringement

- (1) For the purpose of enforcing this Act and its Regulations, an authorized person or a police officer may issue Transport Infringement Notice.
- (2) For the purpose of issuing a parking infringement, the Authority may appoint officer of the city or town as an authorized person.

(3) A Transport Infringement Notice must be issued in accordance with the Regulations, otherwise it is not a valid notice.

42. Payment or Fines or traffic or parking infringement

(1) A person who has been issued with a transport infringement notice shall pay the penalty specified in the notice within 7 days of the date of the notice, unless directed otherwise by the Authority;

(a) the Authority;

(b) the Police; or

(c) in case of a parking infringement, if the notice is issued by an officer of a city or town, at the relevant city or town.

(2) All fines collected under a Transport Infringement Notice shall be deposited into the Revenue Account of the Ministry of Finance, unless directed otherwise by the Ministry of Finance.

(3) If a person fails to pay the fine specified in the Transport infringement notice within 7 days from the date the notice is issued, he is guilty of offense, unless he or she has elected to appeal the notice to the Court and sent a notice to the Authority or the Police within 7 days of the date of the notice.

Penalty: 5 penalty units

(4) The onus for payment of a fine:

(a) if it is for a traffic infringement, is on the person to whom a notice is issued unless he can prove that the owner of the motor vehicle caused the infringement;

(b) if it is for a parking infringement, is on the owner of the motor vehicle unless he can prove another person caused the infringement.

43. Speed Measuring Devices

(1) The regulations may provide for speed measuring device to establish the speed of a motor vehicle on a highway.

(2) Authorized persons and police officers are authorized by this Act to use speed measuring devices.

(3) Authorized persons and police officers must follow the procedures in the Regulations for the use of a speed measuring device; otherwise the speed measurement will be invalid.

- (4) The speed measured by any speed measuring device is sufficient evidence of the speed of a motor vehicle and it is for the driver of the motor vehicle to prove conclusively otherwise.

44. Obligation to have a Log Book

- (1) The driver of a commercial public bus must not drive that vehicle on a highway:
 - (a) without carrying a log book required by the Authority;
 - (b) without having properly fined in the log book u required by the Regulations;
 - (c) contrary to the hours of driving set down in the Regulations.
- (2) A person who does not comply with the sub-section is guilty of an offence

45. Log Books

Under sub-section 44(1) a log book means a record or log as set out in the Regulations.

46. Power to Inspect

- (1) An authorized person or a police officer may request a driver of a commercial public bus at any reasonable time to produce for inspection their log book for any journey.
- (2) If a person refuses to allow an authorized person or police officer to inspect the log book, he is guilty of an offence.

Penalty: 10 Penalty units.

47. Enforcement Powers

- (I) If a person fails to comply with sections 44 or 46, an authorized person or a police officer may direct him or her not to continue driving the heavy vehicle and to surrender the vehicle keys to the officer.
- (2) If a person fails to comply with sub-section (1), he is guilty of an offence.
Penalty: 10 Penalty units.
- (3) If a person is found guilty of an offence under this section, in addition to any penalty, all 1licenses held will be cancelled and he or she will be disqualified from obtaining any license for at least 6 months or as determined by the Court.

Division 6 -Insurance and Compensation

48. Purpose of the Division

The purpose of this Division is to:

- (a) ensure that compensation is paid to the family of people who are killed or to people who are injured in a motor vehicle accident;
- (b) provide that owners of motor vehicles must insure the motor vehicle while they are driven on a highway.

49. Definitions

In this Part:

"Certificate of Insurance" means a certificate issued by the Royal Insurance Corporation of Bhutan (RICB), certifying that a motor vehicle is insured for the period specified therein.

"Contract of Insurance" means a contract or agreement entered into between the owner of a motor vehicle and the Royal Insurance Corporation of Bhutan for compensation in the event of an accident:

- (a) for damage to property which is not the property of the owner;
- (b) for injury or death caused to a person by an accident involving a motor vehicle as set out in section 53; and
- (c) for medical and hospital expenses.

"Insured" means the person taking out the contract of insurance.

"Insurer" means the Royal Bhutan Insurance Corporation.

"Injured" means a wound or cut sustained to a person as a result of motor vehicle accident, not requiring a major medical treatment, as certified by a Medical Officer.

"Totally Disabled" will have the same meaning as defined in the First schedule of the Workmen's Compensation Act.

50. Obligations of Owner

- (1) The owner of a motor vehicle must not drive or allow his or her motor vehicle to be driven on a highway or public road without a current contract of insurance, either comprehensive or third party .
- (2) A person who does not comply with sub-section (1) is guilty of an offence.

Penalty: **25 Penalty units for commercial passenger vehicles as defined under section 5 of the Commercial Passenger Vehicles Regulations:**
10 units for other heavy vehicles;
5 units for light vehicles; and
2 units for 2 wheeler.

51. Transfer of certificate of insurance

- (1) 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.
- (2) Sub-section (1) becomes null and void if the new owner does not report the change of ownership to the insurer within 14 days. In such case, the new owner will be required to take out a fresh contract of insurance from the date he or she notifies the insurer.

52. Production of certificate of insurance on demand

- (1) The owner or the driver of a motor vehicle shall, on demand by the authorized person or the police officer, produce the certificate of insurance for inspection.
- (2) A person failing to produce a valid certificate of insurance on demand is guilty of an offence and liable for penalty prescribed in section 50.
- (3) The owner or the driver of a motor vehicle shall be exempted from payment of penalty for offense under sub-section (2), if he or she gives an assurance that the certificate shall be produced for inspection at a designated office within 48 hours from the time of inspection.

53. Payment of compensation

- (1) This part applies to the victim of a motor vehicle accident while travelling on a public commercial bus/truck, taxi or private bus.
- (2) In the event of an accident of a public commercial bus/truck or a taxi resulting in death of a person (whether inside or outside the concerned motor vehicle):
 - (a) the nearest relative of the victim shall receive compensation of Nu. 20,000;
 - (b) in case of death of a minor below the age of 5 years, compensation, amounting to Nu. 10,000 shall be paid.

- (3) Any person injured as a result of motor vehicle accident (any passenger concerned), must receive compensation of up to Nu. 10,000 depending on the nature of injury, as certified by a Medical Officer.
- (4) If a person becomes totally disabled as a result of motor vehicle accident (both inside and outside the concerned motor vehicle) as certified by a Medical Officer, he or she shall receive Nu. 30,000 as compensation. In future, the amount of compensation may be increased by the concerned Ministry depending on the situation.
- (5) Whether a person dies, becomes disabled or sustains injury due to his own carelessness or otherwise shall receive compensation as deemed appropriate by the Court in its judgment.
- (6) In the event of a hit and run motor vehicle accident resulting in death, disability or injury of a person, the same rate of compensation as specified in sub-sections (2), (3) and (4) shall be paid by the owner of the motor vehicle causing the accident. In addition to the compensation, the driver shall be liable for other relevant penalties, including imprisonment for a period as decided by the court.
- (7) It shall be the duty of the owner of a motor vehicle to pay compensation to the victim of accident caused by him or his/her driver from his/her own source and receive the claims from his/her insurer.
- (8) The issue of compensation to the injured, disabled or deceased passenger(s) in the event of an accident occurring due to natural calamity or beyond the control or the driver or the owner of motor vehicle(s), shall be decided by the Court on an individual basis.

54. Obligation of Insurer

- (1) The insurer must pay compensation to the owner of a motor vehicle in accordance with provisions of section 53.
- (2) If there is no other motor vehicle involved the insurer is not required to pay compensation:
 - (a) to the driver of a motor vehicle involved in an accident; or
 - (b) to the immediate next of kin of the driver of a motor vehicle involved in an accident, if the driver was killed -

if the motor vehicle was not insured at the time of the accident and the driver of the vehicle owned the vehicle.

- (3) To avoid any doubt, the insured must pay compensation in accordance with section 53 (but not as set out in sub-section (2) of this section) even if there was no contract of insurance at the time of the accident.
- (4) The insurer must pay the compensation under a contract of insurance within 72 hours of being notified of the motor vehicle accident.
- (5) The license holder of a commercial public bus, including taxis must pay compensation within 48 hours of the motor vehicle accident; and the insurer must recompense the license holder within 72 hours of being notified of the motor vehicle accident.
- (6) Any late payment or recompense by the insurer or the license holder will attract a 10% penalty payment to the person to receive the payment, for every day delayed.

55. Compensation for damage to vehicles and goods

- (1) Compensation regarding damage to vehicle(s) involved in an accident shall be on the basis of valuation carried by the insurer and the type of insurance policy.
- (2) 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 entered into between the transporter and the owner of the goods. .

56. Exceptions

In case of death, disability or injury of a civilian while travelling in a vehicle registered in the name of Royal Bhutan Army, Royal Bhutan Police or Royal Body Guard, trucks meant for carrying goods or private and Government non-commercial vehicles, the issue of compensation shall be decided by the Court.

57. Right to Independent action

- (1) Nothing in this Part prevents any person from taking an action in the Court against another person in relation to an accident involving a motor vehicle.
- (2) The Court must take into account and deduct from any compensation or damages it awards to a person, any amount that person has been paid under a contract of insurance.
- (3) Any issue not covered under these provisions, shall be dealt with by the Court on the basis of merit as per provisions of section Ba 1(6) of the "Thrimshung Chenpo" (Bhutan General Law of 1957).

PART 3- COMMERCIAL PASSENGER VEHICLES

58. Purpose

The purposes of this part are :

- (a) ensure that all commercial passenger vehicles are safe and reliable;
- (b) provide for a licensing regime for commercial vehicles to ensure standards of operation;
- (c) ensure that the people of the Kingdom have reliable and safe transport system; and
- (d) ensure that drivers and conductors are fit and proper persons.

59. Powers of the Authority

The Authority is responsible for:

- (a) the issuing of commercial passenger vehicle licenses;
- (b) the issuing of certificate for drivers of commercial passenger vehicles;
- (c) the issuing of certificate for conductors of commercial passenger vehicles; and
- (d) the setting of fares for commercial passenger vehicles in accordance with this Act and the Regulations.

60. Obligation to Hold a License or Certificate

(1) A person must not:

- (a) operate a commercial passenger vehicle on a highway if it is not licensed under this Act;
- (b) own a commercial passenger vehicle which is used on a highway if it is not licensed under this Act;
- (c) drive a commercial passenger vehicle unless he or she holds a certificate under this Act; and
- (d) be a conductor on a commercial passenger vehicle as set out in the Regulations unless he or she holds a certificate under this Act.

- (2) To avoid any doubt, if a motor vehicle which is constructed or ordinarily used to carry goods, also carried passengers for reward, this part applies to that vehicle.
- (3) A person must not use, drive or be a conductor on a commercial passenger vehicle in breach of any condition in the license or certificate or contrary to the Regulations.
- (4) A person who contravenes this section is guilty of an offence.

Penalty: 20 Penalty units.

61. Licensing and Certificates

- (1) All licenses and certificates and renewals may be applied for, granted or refused in accordance with the Regulations.
- (2) The Authority may grant a license or renewal if it is satisfied that the applicant meets the requirements of the Act and Regulations.
- (3) All licenses and certificates issued under this part are subject to the conditions specified in the Regulations and to those set by the Authority.
- (4) The Authority may cancel or suspend any license or certificate as set out in this Act or the Regulations.
- (5) The Authority must cancel a commercial passenger vehicle license if a contract between the holder of the license and the Authority to provide public transport services is terminated, not renewed, cancelled or amended to exclude the particular vehicle.
- (6) The Authority may cancel all or any commercial passenger vehicle licenses held by a person if:
 - (a) all or any of the vehicles do not comply with the motor vehicle standards or the vehicle specifications under this Act or the Regulations.
 - (b) he or she has not prevented a person from contravening this Act or the Regulations and the contravention is about:
 - (i) a matter in sections 44, 45 or 46 (log books and hours of driving);
 - (ii) a matter in sections 34 or 36 (drink driving);
 - (iii) a matter in section 39 (speeding);
 - (iv) a matter in section 65 (dangerous driving);

- (v) a matter in section 17 (general duty of drivers);
- (vi) a matter in sections 25 or 26 (driver licensing);
- (vii) a matter in section 67 (Unsafe Commercial Passenger Vehicle); and
- (viii) a matter in this section.

- (c) he or she has not provided the services set out in the license.

- (7) The Authority has the power to immediately cancel or suspend a commercial passenger vehicle license under sub-section (6), if from its records about the holder of the license, it believes canceling or suspending the license is in the public interest.

62. Review of Decision

- (1) If the Authority;
 - (a) refuses to issue or renew a license or certificate;
 - (b) cancels or suspends a license (which does not include a cancellation under Section 61 (5) or a certificate -
the person affected may request the Authority to review its decision.
- (2) The Authority may confirm or vary its decision.
- (3) In reviewing a decision about a commercial passenger vehicle license suspended under sub-section 61 (6), the Authority must consider;
 - (a) whether the holder of the license had adequate management practices in place to prevent the contravention; and
 - (b) whether the holder of the license was able to exercise practical control over the person who contravened at the time of the contravention, to prevent the contravention.

63. Powers to Enforce

The provisions of sections 21, 22, 23, 35 and 36 apply equally to commercial passenger vehicle and to the holders of certificates.

64. Regulations

The Authority may make Regulation for the matters set out in Schedule 1.

PART 4- GENERAL OFFENCES AND LEGAL PROCEEDING

Division 1 -Offences

65. Dangerous Driving

If a person drives a motor vehicle at a speed which in the opinion of an authorized person or officer of the Police is dangerous and the person is convicted of the offence, all licenses must be cancelled and the person will be disqualified from obtaining a license for a period of at least 6 months or as determined by the Court.

Penalty: 25 Penalty units.

66. Culpable Driving

- (1) A person who culpably drives a motor vehicle and causes the death of another person is guilty of an offence and liable to imprisonment for at least six months or as the Court determines or to a penalty of 25 penalty units or both.
- (2) A person culpably drives a motor vehicle if he or she drives the motor vehicle:
 - (a) with conscious and unjustifiable disregard to a substantial risk that death may result from his or her driving;
 - (b) with unjustifiable gross non-observance of a standard of care which a reasonable person would have observed in the circumstances; and
 - (c) under the influence of alcohol or drug addiction to such an extent that he or she was incapable of having proper control over the motor vehicle.
- (3) A person:
 - (a) convicted or acquitted of an offence under this section may not be charged with an offence for:
 - (i) unlawful homicide;
 - (ii) dangerous driving (section 65);
 - (iii) driving a motor vehicle under the influence of alcohol or drug addiction (section 34).
 - (b) convicted of an offence for unlawful homicide may not be charged with an offence under this section.

(4) The provisions of this section do not detract from the provisions of section 17.

67. Special Offence -Unsafe Commercial Passenger Vehicles

(1) A person who owns, operates or drives a commercial passenger vehicle which has defective brakes, steering mechanisms or suspension is guilty of an offence and liable to:

- (a) a penalty of SO penalty units; and
- (b) if the vehicle is involved in an accident and a person is seriously injured or killed, imprisonment for at least three months or as the Court determines.

(2) It is a defense to a charge under this section, if the person charged with the offence:

- (a) proves the defective brakes, steering mechanisms or suspension was not a cause of the accident;
- (b) is the driver and did not know and could not reasonably have known of the defective brakes, steering mechanisms or suspension

(3) The provisions of this section do not detract from the provisions of section 17.

68. Overloading of Vehicles

(1) A person must not drive or allow a motor vehicle to be driven on a highway if the vehicle is carrying a load which is in excess of the manufacturers' specifications (overloaded) for that type of vehicle or it exceeds the gross vehicle weight for the vehicle.

(2) A person who does not comply with sub-section (1).is guilty of an offence.

Penalty: 20 Penalty units

(3) To determine the load a vehicle is carrying, an authorized person or Police officer may:

- (a) direct the driver of the vehicle to go to the nearest weigh bridge to weigh the vehicle and its load; or
- (b) use a portable weighing device provided for in the Regulations to determine the load the vehicle is carrying or the gross vehicle weight.

(4) Any person who refuses to obey a direction under sub-section (3), or allow the portable weighing device to be used by the authorized person or a police officer is guilty of an offence.

Penalty: 15 Penalty units

- (5) If an authorized person or officer of the Police finds that a vehicle is overloaded or exceeds the gross vehicle weight for the vehicle they may:
 - (a) direct the driver to remove part of the load so that the vehicle will not be overloaded;
 - (b) direct that the driver drive the vehicle to the nearest place where the excess load can be safely taken off the vehicle.
- (6) Any person who refuses to obey a direction under sub-section (5) or continues to drive the vehicle in an overloaded condition is guilty of an offence.

Penalty: 20 Penalty units.

- (7) In addition to any penalty under this section, if a person fails to obey any direction of an authorized person or officer of the Police or allow them to perform their duty under this section, the Court must cancel all licenses held by that person and disqualify them from obtaining any license for a period of at least 6 months.
- (8) If a motor vehicle is weighed in accordance with this section 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 to the court.
- (9) 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 to the court.

69. Offence Penalties

- (1) If a person is found guilty of an offence under this Act by a Court and no specific penalty is set, he is liable to a penalty not exceeding 30 penalty units.
- (2) If a person is convicted by a Court for the same offence more than once, the penalty for each subsequent offence will be increased by 100% for each conviction up to a maximum of 50 penalty units.

70. Unauthorized Interference with a Vehicle

If a person interferes or tampers with a motor vehicle without lawful Authority, they are guilty of an offence

Penalty: 2 Penalty units.

71. Bribing an Officer

- (1) Any person who offers a bribe to an officer of the Authority or Police officer, whether it is money or in the form of goods or services, is guilty of an offence.
- (2) A bribe includes any inducement by a person to an officer of the Authority or Police officer, to not perform their duty or to do anything which places the person offering the inducement in an advantageous position, in relation to the administration of this Act.

Penalty: 25 Penalty units.

- (3) An officer of the Police or an authorized person who has been found taking a bribe is guilty of an offence.

Penalty: 50 penalty units each time he is found taking bribe.

72. Offences by Companies

- (1) If a company is guilty of an offence against this Act, any person who takes part in , the management of that company is also guilty of an offence and liable to the, relevant penalty .
- (2) The person taking part in the management of the company has a good defense if they can prove that the offence was committed without their knowledge and that they exercised due diligence to prevent the offence being committed.

Division 2 Legal Proceedings

73. Court Jurisdiction

- (1) The Court is authorized by this Act to:
 - (a) convict a person for an offence against this Act and to impose a penalty up to the penalty units specified for any offence;
 - (b) suspend for a period or cancel any license or certificate granted or issued under this Act if a person is found guilty of an offence under this Act;
 - (c) if a person is convicted of an offence under this Act, disqualify him or her from obtaining a license or certificate for such period as the court thinks fit, having regard to the seriousness of the offence committed by the person;
 - (d) quash or overturn any decision of the Authority or an authorized officer or officer of the Police in relation to the exercise of powers under this Act;

- (e) impose on a person a penalty which is different to a penalty specified in a Transport Infringement notice, if that person has chosen to have the matter in the notice dealt with by the Court.
- (2) The Authority is bound by a. decision of the Court unless it appeals to a higher Court in relation to a decision under sub-sections (1)(b) and (d).

74. Appeals

A person may appeal to the Court against:

- (a) a decision by the Authority not to grant, issue, or renew a license, certificate or registration or transfer of a registration;
- (b) the issue or a Transport Infringement notice; and
- (b) the use of a power under this Act by the Authority, an authorized person or a police officer.

75. Powers to Prosecute

Proceedings for an offence against this Act or the Regulations may only be brought by :

- (a) the Director of the Authority;
- (b) an authorized officer; and
- (c) a police officer.

76. Service or notices

If a section of this Act or the Regulations provide that a notice may be issued or served, it is sufficient evidence that the notice was issued or served if :

- a) the process in the Act or the Regulations was followed; and
- b) if it was required to be sent to a person's address, the notice was sent to the address listed in the Authority's records.

77. Records or the Authority

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

78. Power to Demand License or Other Document

An authorized person or police officer must not:

- (a) demand that a person hand over his or her license or other document; or
- (b) take a person's license or other document –

unless such action is authorized by this Act or the Regulations.

79. Funds from prosecutions

Money collected by the Courts as penalties under this Act shall be transferred to the Ministry of Finance.

SCHEDULE 1

SUBJECT -MATTER FOR REGULATIONS

REGISTRATION

1. The category of motor vehicles for registration purposes.
2. The exemption of classes of motor vehicles from the requirement to be registered.
3. Applications for registration, renewal of registration or transfer of registration; the dates by which applications must be made and the information and evidence to accompany applications.
4. Requirements to be complied with, before registration may be granted, renewed or transferred.
5. The conditions under which registration may be granted or renewed.
6. The date on which registration commences and the period for which it remains in force.
7. Procedures for achieving a common registration expiry date for 2 or more motor vehicles registered in the same name.
8. The grounds on which registration may be cancelled or suspended and the procedures to be followed in those cases.
9. The inspection, testing and weighing of motor vehicles.
10. The grounds on which, and the procedure by which, the use of a motor vehicle or trailer on a highway may be prohibited and the conditions on which a prohibition may be made or revoked
11. Requiring the Authority to be notified of changes in the ownership or description of registered motor vehicles.

12. The issue of identification numbers, number, plates, registration labels and certificates of registration, including the issue of duplicates; the circumstances in which number plates must be returned and the procedures for doing this.

LICENSING OF DRIVERS

13. The categories of motor vehicles for licensing purposes.
14. Applications for a driver license or learner's license or for the variation, renewal or extension of a license; the dates by which applications must be made and the information and evidence to accompany applications.
15. Requirements to be complied with before a license may be granted, varied or renewed.
16. The conditions on which a license may be granted, varied or renewed.
17. The date on which a license commences, the period for which it remains in force.
18. The taking of photographs for inclusion in driver license documents.
19. The issue of duplicate license documents.
20. The exemption of persons or classes of persons from the requirement to obtain a driver license.
21. Tests and driver training.
22. The grounds on which a license may be cancelled, suspended or varied by the Authority and the procedures to be followed in such cases.
23. The circumstances in which the Authority is required to cancel, suspend or vary a license or refuse an application for a license, license variation and the procedures to be followed in those cases.
24. The surrender of license documents if the license has been cancelled or suspended by the Authority or by a Court.

REGULATION OF THE USE OF VEHICLES

25. Carrying of lights on vehicles and trailers.
26. The affixing and use of horns, bells or other similar devices on vehicles and trailers.
27. The affixing of brakes on vehicles and trailers.
28. Requirements relating to the construction, efficiency, performance, safety, roadworthiness, design of and the equipment to be carried on and the identification of vehicles.
29. The number of hours during which a person may drive motor vehicles or a class or classes of motor vehicles.
30. The carrying of a log book on specified classes of motor vehicles and trailers and the evidence that is sufficient to prove its existence.
31. The carrying of loads on motor vehicles and trailers.
32. The use of devices for determining the speed of motor vehicles.
33. The keeping of records of specified matters and their production for inspection.
34. Prohibiting the sale of equipment designed or intended to be used in, or in connection with, vehicles if the equipment has not been approved by the Authority.
35. The regulation and control of vehicular, animal or pedestrian traffic on highways.
36. Rules to be observed by drivers, people in Charge of animals, vehicles or trailers, and pedestrians.

37. Maximum speed for vehicles.
38. Signs and safety devices, and their siting, installation and maintenance.
39. Marks to be used on the surface of highways.
40. The legal effects of signs, devices and marks, and the evidence that is sufficient to prove their existence.
41. The control and reduction of causes of danger or of traffic congestion.
42. Speed Measuring Devices; the procedures and methods to be employed in the use of those devices to ensure they are accurate and reliable results.
43. Alcohol Testing Devices; the procedures and methods to be employed in the use of those devices for ensuring that they give accurate and reliable results.
44. The matters for which fees are payable, the amount of those fees and the people by whom those fees are payable.
45. Conferring a right of appeal to a specified court or tribunal against any decision of the Authority and prescribing the procedures to be followed in those cases.

COMMERCIAL PASSENGER VEHICLES

46. The design and construction of commercial passenger vehicles.
47. The conduct and duties of owners, drivers, conductors and passengers.
48. The duties and appearance of driver and conductors.
49. The appearance of vehicles, including colour and sign.
50. Safe-guarding lost property.
51. Prohibiting or regulating the carriage of goods in commercial vehicles.
52. The inspection, maintenance and repair of commercial vehicles.
53. The publication of time-tables, fares and rates for travelling on commercial vehicles.
54. Regulating the operation of commercial vehicles and requiring owners to have licenses issued by the Authority.
55. Requiring drivers and conductors of commercial vehicles to hold a certificate.
56. Regulating the qualifications of conductors and drivers.
57. Regulating the conditions for licenses and certificates.
58. Regulating the records to be kept by owners of commercial vehicles and the information to be provided by those owners to the Authority.
59. Providing inspection powers for the Authority.
60. Regulating the transfer of licenses.
61. Prohibiting or regulating smoking in vehicles.