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TENANCY REGULATIONS for THE TENANCY ACT OF THE KINGDOM OF BHUTAN 2004

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1.0 Title

1.1 These regulations shall be called Regulations for the Tenancy Act.

2.0 Purpose

2.1 The purpose of the regulation is to enable the Authorities to implement and enforce the TENANCY ACT OF THE KINGDOM OF BHUTAN 2004.

3.0 Effective Date

3.1 The regulations shall come into force upon approval by the Authority.

4.0 Definitions

4.1 For the purpose of these regulations a tenancy agreement and a lease agreement are considered the same, and throughout the regulations only tenancy agreement, tenancy, tenant, and owner are used but treated to also mean lease agreement, lease, lessee, and lessor.

4.2 “address for service” means the address given by the owner or tenant as the address at which notices and other documents relating to the tenancy will be accepted by or on behalf of the owner or tenant;

4.3 “Act” means the Tenancy Act of Bhutan 2004;

4.4 “Authority” means the designated department under the Ministry of Works and Human Settlement;

4.5 “Emergency” means an occasion when the premises are affected by natural calamities or faults which endanger life and property;

4.6 “Fixed-term tenancy” means a tenancy with a stated start date and a stated end date;

4.7 “member of the owner’s family” means any of the following:

- (a) the owner’s spouse; and
- (b) any person with whom the owner has entered into a relationship in the nature of marriage; and
- (c) any child of the owner or of any person referred to in paragraph (a) or paragraph (b); and
- (d) any other child who is being, or is to be, cared for on a continuous basis by the owner or any person referred to in paragraph (a) or paragraph (b); and
- (e) any parent of the owner or of any person referred to in paragraph (a) or paragraph (b); and
- (f) any other person who is related (whether by blood or marriage) to the owner or to any person referred to in paragraph (a) or paragraph (b) and is residing, or is to reside, in the owner’s premises in accordance with an arrangement between that person and the owner of a predominantly domestic or family nature rather than a predominantly commercial nature.

4.8 “Owner” in relation to any premises that are the subject of a tenancy agreement, means the grantor of a tenancy of the premises under the agreement; and, where appropriate, includes;

- (a) a prospective owner; and
- (b) a former owner; and

- (c) a lawful successor in title of an owner to the premises;
and
- (d) the personal representative of a deceased owner; and
- (e) an agent of an owner.

4.9 “Periodic tenancy” means a tenancy other than a fixed-term tenancy;

4.10 “Premises” means surroundings and other accessories forming part of the rental unit or property, that includes:

- (a) any land and accessories; and
- (b) any mobile home, caravan, or other means of shelter placed or erected upon any land and intended for occupation on that land.

4.11 “Property” means land and buildings included in the tenancy agreement;

4.12 “Prospective tenant” means a person to whom any other person has offered to grant a tenancy, or with whom any other person has entered into negotiations for the granting of a tenancy to that person;

4.13 “Rent” means any consideration paid for the use or occupancy of any premises supplied under a tenancy agreement;

4.14 “Rental unit” means a room or house and any associated land used or intended for use as rented residential or commercial premises;

4.15 “Security deposit” means the sum of money deposited by the tenant with the owner to protect the owner against contingencies arising out of a tenancy due to a tenant;

4.16 “Tenancy” means the right to occupy the premises (whether exclusively or otherwise) in consideration for rent; and includes any tenancy of premises implied or created by any enactment, and where appropriate, also includes a former tenancy;

4.17 “Tenancy agreement” means any express or implied agreement under which any person, for rent, grants or agrees to grant to any other person a tenancy of the premises; and, where appropriate, includes a former tenancy agreement, and any variation of a tenancy agreement;

4.18 “Tenant” in relation to any premises that are the subject of a tenancy agreement, means the grantee of a tenancy of the premises under the agreement; and, where appropriate, includes:

- (a) a prospective tenant; and
- (b) a former tenant; and
- (c) a lawful successor in title of a tenant to the premises; and
- (d) the personal representative of a deceased tenant; and
- (e) an agent of a tenant; and
- (f) any family members of the tenant who ordinarily reside at the premises.

5.0 Exemptions from the Act

5.1 Premises operated by the following are exempt from the requirements of the Act and the regulations of the Authority:

- (a) the Palaces and Crown properties; and
- (b) the buildings and units of the Monk body to house the Dratsang; and
- (c) the buildings, warehouse units and land occupied by the Armed Forces of the Kingdom of Bhutan; and

- (d) premises that constitute part of any hospital, home, or other institution for the care of sick, disabled, or aged persons; and
- (e) accommodation owned or operated by an educational institution and provided by that institution to its students and employees; and
- (f) premises that constitute part of any hotel, motel, guesthouse, boardinghouse, or lodging house used for the provision of temporary or transient accommodation; and
- (g) land covered by the Land Act 1979.

5.2 Parties to excluded tenancies may agree that the Act and the regulations of the Authority shall apply.

6.0 Requirements for Tenancy Agreements

6.1 An owner shall prepare in writing every tenancy agreement entered into on or after 14th Day of the 6th Month of the Wood Monkey Year, corresponding 30th Day of July 2004.

6.2 Form of tenancy agreement:

- (a) Every tenancy agreement shall be in writing and signed and dated by both the owner and the tenant; and
- (b) the owner shall, before the tenancy commences, provide the tenant with a copy of the tenancy agreement.

6.3 Every tenancy agreement shall include the following minimum information:

- (a) the full legal name and contact address of the owner; and

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- (b) the full legal name and contact address (where that is different from the address of the premises to which the agreement relates) of the tenant; and
- (c) the address of the premises; and
- (d) the date of the tenancy agreement; and
- (e) the date of commencement of the tenancy (where that is different from the date of the tenancy agreement); and
- (f) the owner's address for service; and
- (g) the tenant's address for service; and
- (h) the amount of any Security Deposit and the date this was or must be paid; and
- (i) the purpose of the tenancy; and
- (j) the rent payable; and
- (k) the day or date in the given period the rent is payable; and
- (l) the frequency of the rent payments; and
- (m) the place or bank account number where the rent is to be paid; and
- (n) if the tenancy is a fixed-term tenancy, the date on which the tenancy will terminate; and
- (o) which services and facilities are included in the rent; and
- (p) which services and facilities are not included in the rent; and
- (q) a list of any chattels provided by the owner; and
- (r) a limit on the number of occupants; and
- (s) where pets are permitted under the tenancy agreement the limit in number, and type of animal allowed; and
- (t) any other specifically prohibited or permitted activity on the property by the owner; and
- (u) a completed entry condition inspection.

6.4 Where there are variations and renewals of tenancy agreements:

- (a) every variation of a tenancy agreement, and every renewal of a tenancy agreement, shall be in writing and signed by both the owner and the tenant; and
- (b) the owner shall, before the date on which the variation or renewal of the tenancy is to take effect, provide the tenant with a copy of the variation or renewal.

6.5 An owner cannot charge any person for the following:

- (a) accepting an application for a tenancy; or
- (b) processing the application; or
- (c) investigating the applicant's suitability as a tenant; or
- (d) accepting the person as a tenant.

6.6 A tenancy agreement shall not contain a term that makes due all or part of the rent payable for the remainder of the period of the tenancy if a term of the tenancy agreement is breached.

6.7 The rights and obligations of an owner and tenant under the tenancy agreement shall take effect from the date the tenancy agreement is entered into, whether or not the tenant ever occupies the premises.

7.0 Market Rent

7.1 The amount of rent for any tenancy shall be the rent that the tenant and owner mutually agree upon:

- (a) without regard to the personal circumstances of the owner or the tenant, a willing owner might reasonably expect to receive and a willing tenant might reasonably expect to pay for the tenancy; and

- (b) taking into account the rent which is prevailing in the neighbourhood or in the area for a similar premises as regards character, size, quality, facilities, services and state of maintenance.

7.2 Where rent is paid in cash the person who receives the payment shall forthwith give to the payer a written receipt, signed by that person, showing:

- (a) the address of the premises to which the payment relates; and
- (b) the amount and nature of the payment; and
- (c) the date of the payment; and
- (d) the name of the payer.

8.0 Rent in Advance

8.1 An owner shall not require the payment of any rent:

- (a) more than 1 month in advance; or
- (b) before the expiry of the period for which rent has been paid already.

9.0 Rent Increase

9.1 The rent payable in respect of any tenancy may be increased by the owner, provided all of the following conditions are complied with:

- (a) the owner shall give the tenant notice in writing of the increase; and
- (b) that notice shall specify the amount of the increased rent and the day upon which the increased rent shall become payable; and

- (c) the day upon which the increased rent shall become payable shall be no less than 3 months after the date on which that notice is given; and
- (d) the rent shall not be increased within 24 months after the date on which the last increase took effect; and
- (e) the rent shall not be increased within 24 months after the date of the commencement of the tenancy; and
- (f) an owner under a fixed-term tenancy shall not increase the rent otherwise than as permitted by the agreement; and
- (g) the increment of rent shall not be greater than 10% of the equivalent monthly rent.

9.2 A tenant may not apply to the Disputes Settlement Committee to dispute a rent increase that complies with subsection 9.1.

9.3 If an owner collects a rent increase that does not comply with subsection 9.1, the tenant may deduct the increase from rent or otherwise recover the amount through other legal means.

9.4 The Disputes Settlement Committee may, on application by the owner, make a judgment for the increase of the rent to/or by such amount as the Committee thinks fit where:

- (a) the owner effects substantial improvements to the premises, or provides more or better facilities or services for the tenant, with the consent of the tenant; or
- (b) the owner incurs in respect of the premises, expenses of a nature or an amount that could not reasonably have been foreseen when the rent was last fixed.

10.0 Security Deposit

10.1 An owner may require a tenant to pay a security deposit as a condition of entering into a tenancy agreement.

10.2 An owner must not require or accept a security deposit that is greater than the equivalent of one month's rent under the tenancy agreement.

10.3 Where any person pays to the owner, or to any other person on behalf of the owner, any amount by way of security deposit, that person who receives the payment shall forthwith give to the payer a written receipt, signed by that person, showing:

- (a) the address of the premises to which the payment relates; and
- (b) the amount and nature of the payment; and
- (c) the date of the payment; and
- (d) the name of the payer.

10.4 An owner must not do any of the following;

- (a) require a security deposit at any time other than when the owner and tenant enter into a tenancy agreement; or
- (b) require or accept more than one security deposit in respect of a tenancy agreement; or
- (c) require or include as a term of a tenancy agreement that the owner automatically keeps all or part of the security deposit at the end of the tenancy.

10.5 Unless the owner gives written consent, a tenant may not apply a security deposit as rent.

11.0 Return of the Security Deposit

11.1 Where the security deposit was not returned to the tenant in person at the end of the tenancy, the right of a tenant to the return of that security deposit is extinguished if the tenant does not give the owner a forwarding address in writing within one year after the end of the tenancy, so that the owner can forward the security deposit to the tenant.

11.2 The right of the owner to claim against a security deposit for damage to the premises is extinguished if the owner has not satisfied all of the conditions set out under section 12.0.

11.3 The owner shall refund any security deposit in its entirety to the tenant within 14 days after:

- (a) the date the tenancy ends; or
- (b) the date the owner receives the tenant's forwarding address in writing;

unless the owner has filed an application with the Disputes Settlement Committee to make a claim against the security deposit.

11.4 An owner may retain from a security deposit an amount that:

- (a) the Disputes Settlement Committee has previously judged the tenant should pay to the owner, and at the end of the tenancy remains unpaid; or
- (b) the tenant agrees in writing the owner may retain to pay a liability or obligation of the tenant; or
- (c) the Disputes Settlement Committee judges the tenant should pay to the owner after the end of the tenancy.

11.5 If an owner withholds all or part of the security deposit and has not satisfied any of the conditions set out in subsection 11.4 then the owner:

- (a) forfeits the right to claim against the security deposit; and
- (b) shall be liable to pay the tenant double the amount of the security deposit withheld.

12.0 Condition Inspection Report

12.1 The owner and tenant must complete both an entry condition inspection and final condition inspection when the premises are empty of the tenant's possessions, immediately before and after the tenancy respectively, unless the parties agree on a different time.

12.2 The owner and the tenant must attempt in good faith to mutually agree on a date and time for a condition inspection.

12.3 The owner must offer the tenant at least two opportunities for the inspection, and allow the tenant to propose a time which must be given due consideration.

12.4 If the owner having satisfied subsections 12.2 and 12.3 still cannot meet with the tenant for a condition inspection then the owner may complete the condition inspection without the tenant.

12.5 The owner must give the tenant a copy of the signed condition inspection report:

- (a) in the case of the entry condition inspection before the date the tenancy begins, and
- (b) in the case of the final condition inspection not more than 7 days after the end of the tenancy.

12.6 In a Disputes Settlement Committee, a condition inspection report completed in accordance with this section is evidence of the state of repair and condition of the premises on the date of the inspection, unless either the owner or tenant has a preponderance of evidence to the contrary.

13.0 Requirements for a Condition Inspection Report

13.1 A condition inspection report must include the following;

- (a) the correct legal names of the owner and the tenant; and
- (b) the address of the premises being inspected; and
- (c) the date on which the tenant is entitled to possession of the premises; and
- (d) the address for service of the owner; and
- (e) the date of the condition inspection; and
- (f) a statement of the state of repair and general condition of the premises including where applicable but not limited to the condition of the following:
 - (i) entry;
 - (ii) living room;
 - (iii) kitchen;
 - (iv) dining room or eating area;
 - (v) stairs;
 - (vi) halls;
 - (vii) bathrooms;
 - (viii) bedrooms;
 - (ix) storage;
 - (x) basement;
 - (xi) other rooms;
 - (xii) exterior, including balcony, patio and yard;
 - (xiii) garage or parking area;
 - (xiv) flooring;
 - (xv) windows;

- (xvi) appliances;
- (xvii) furniture;
- (xviii) fixtures;
- (xix) electrical outlets;
- (g) any item which the owner and tenant agree should be included; and
- (h) a statement identifying any damage or items in need of maintenance or repair; and
- (i) appropriate space for the tenant to indicate agreement or disagreement with the owner's assessment of any item and the condition of the premises and contents, and any additional comments; and
- (j) the following statement, to be completed by the tenant:

I, (tenant's name)

agree that this report fairly represents the condition of the premises.

do not agree that this report fairly represents the condition of the premises, for the following reasons:

.....

13.2 In addition to the information referred to in subsection 13.1, the condition inspection report when completed at the end of the tenancy must contain the following items in a manner that makes them clearly distinguishable from other information in the report:

- (a) a statement itemizing any damage to the premises for which the tenant is responsible; and
- (b) if agreed upon by the owner and tenant:
 - (i) the amount to be deducted from the tenant's security deposit; and
 - (ii) the tenant's signature indicating agreement with the deduction; and

- (iii) the date on which the tenant agreed.

14.0 Owners and Tenants Obligations during the Tenancy

14.1 Owner's responsibilities

The owner shall:

- (a) provide the tenant with vacant possession of the premises on the date on which, in accordance with the tenancy agreement, the tenant is entitled to enter into occupation of the premises; and
- (b) take all reasonable steps to ensure that, at the commencement of the tenancy, there is no legal impediment to the occupation of the premises; and
- (c) not cause or permit any interference with the reasonable peace, comfort, or privacy of the tenant in the use of the premises by the tenant; and
- (d) provide the premises in a reasonable state of cleanliness; and
- (e) provide and maintain the premises in a reasonable state of repair having regard to the age and character of the premises and the period during which the premises are likely to remain habitable and available for use; and
- (f) comply with all requirements in respect of buildings, health, and safety standards under any enactment so far as they apply to the premises; and
- (g) compensate the tenant for any reasonable expenses incurred by the tenant in repairing the premises where:
 - (i) the state of disrepair has arisen otherwise than as a result of a breach of the tenancy agreement by the tenant, and
 - (ii) the tenant has made a reasonable attempt to give the owner notice of the state of disrepair.
- (e) take all reasonable steps to ensure that none of the owner's other tenants causes or permits any

- interference with the reasonable peace, comfort, or privacy of the tenant in the use of the premises; and
- (f) not interfere with the supply of gas, electricity, water, telephone services, or other services to the premises, except where the interference is necessary to avoid danger to any person or to enable maintenance or repairs to be carried out; and
 - (g) keep proper business records showing:
 - (i) all payments of rent paid by or on behalf of the tenant; and
 - (ii) any amount by way of security deposit paid by or on behalf of the tenant.
 - (h) not be entitled to seize or dispose of any of the tenant's goods:
 - (i) as security for or in payment of any amount owing by way of rent; or
 - (ii) for any other reason arising from the tenancy; except in the case where the tenant has abandoned personal property.
 - (i) have installed meters for water and electricity where the tenant must pay them separately to rent; and
 - (j) notify the tenant when the premises are placed on the market for sale.

14.2 An owner's obligations under subsection 14.1, applies whether or not a tenant knew of a breach by the owner of that section at the time of entering into the tenancy agreement.

14.3 Tenant's responsibilities

The tenant shall:

- (a) pay the rent as and when it is due and payable under the tenancy agreement; and
- (b) keep the premises reasonably clean and reasonably tidy; and

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- (c) notify the owner as soon as possible after discovery, of any damage to the premises, or of the need for any repairs; and
- (d) repair damage to the premises or common areas that is caused by the actions or neglect of the tenant or a person or animal permitted on the property by the tenant; and
- (e) be responsible for anything done or omitted to be done by any person (other than the owner or any person acting on the owner's behalf or with the owner's authority) who is on the premises with the tenant's permission if the act or omission would have constituted a breach of the tenancy agreement had it been the act or omission of the tenant; and
- (f) where any person (other than the owner or any person acting on the owner's behalf or with the owner's authority) intentionally or carelessly damages the premises while the tenant is in the premises, shall be presumed that the tenant permitted that person to be in the premises unless the tenant proves that he or she took all reasonable steps to prevent that person from entering the premises or (as the case may require) to eject that person from the premises; and
- (g) not affix any fixture or erect any structure on the premises, or make any renovation, alteration, or addition of or to the premises, except:
 - (i) in accordance with the tenancy agreement; or
 - (ii) with the prior written consent of the owner.
- (h) not be liable for the payment of property taxes applied to the premises in the tenancy agreement; and
- (i) not be responsible for repairs or maintenance resulting from the normal wear and tear of the premises.

15.0 Locks

15.1 At the start of a new tenancy the owner shall at the request of the new tenant ensure that keys or other means of access have been changed, if those keys or other means of access have been misplaced or not collected from the previous tenants.

15.2 The owner shall provide and maintain such locks and other similar devices as are necessary to ensure that the premises are reasonably secure.

15.3 Neither the owner nor the tenant shall alter any existing lock or similar device, or add to or remove from the premises any lock or similar device, without the consent of the other given at the time, or a reasonable time before, the alteration, removal, or addition is carried out.

16.0 Emergency Repairs

16.1 "Emergency repairs" means repairs that are;

- (a) necessary for the health or safety of anyone or for the preservation or use of the premises, and
- (b) made for the purpose of repairing:
 - (i) major leaks in pipes or the roof; or
 - (ii) damaged or blocked water or sewer pipes or plumbing fixtures; or
 - (iii) damaged or defective locks that give access to the premises; or
 - (iv) the electrical systems.

16.2 The owner must post and maintain in a conspicuous place on the premises, or give to a tenant in writing, the name and

telephone number of a person the tenant is to contact for emergency repairs.

16.3 A tenant may have emergency repairs made only when all of the following conditions are met:

- (a) emergency repairs are needed; and
- (b) the tenant has made at least two attempts to telephone at the number provided, the person identified by the owner as the person to contact for emergency repairs; and
- (c) following those attempts, the tenant has given the owner reasonable time to make the repairs.

16.4 An owner may take over completion of an emergency repair at any time.

16.5. An owner must reimburse a tenant for amounts paid for emergency repairs if the tenant:

- (a) claims reimbursement for those amounts from the owner; and
- (b) gives the owner a written account of the emergency repairs accompanied by a receipt for each amount claimed.

16.6 An owner is not required to reimburse a tenant for amounts claimed by a tenant for repairs about which the Disputes Settlement Committee, on application, finds that one or more of the following applies:

- (a) the tenant has not provided the account and receipts for the repairs; or
- (b) the amounts represent more than a reasonable cost for the repairs; or
- (c) the emergency repairs are for damage caused primarily by the actions or neglect of the tenant or a person or animal permitted on the premises by the tenant.

16.7 If an owner does not reimburse a tenant as required under subsection 16.5, the tenant may deduct the amount from

rent or otherwise recover the amount through other legal means.

17.0 Owners Right of Entry

17.1 The owner shall not enter the premises during the currency of the tenancy agreement, except:

- (a) with the consent of the tenant given at, or immediately before, the time of entry; or
- (b) in any case of emergency; or
- (c) for the purpose of inspecting the premises at any time between 8 o'clock in the morning and 7 o'clock in the evening on a day specified in a notice given to the tenant not less than 48 hours, nor more than 14 days before the intended entry, and not more frequently than once in any period of 4 weeks; or
- (d) for the purpose of determining whether or not:
 - (i) the tenant has, within the period allowed by the owner, completed satisfactorily any work required by the owner to be done by the tenant to remedy any breach by the tenant of any of the provisions of the tenancy agreement or of these regulations; or
 - (ii) the tenant has, within the agreed period, completed satisfactorily any work agreed to be done by the tenant, at any time between 8 o'clock in the morning and 7 o'clock in the evening on any day (after the expiry of the period allowed for the work) specified in a notice given to the tenant not less than 48 hours nor more than 14 days before the intended entry.
- (e) for the purpose of carrying out necessary repairs to or necessary maintenance of, the premises at any time between 8 o'clock in the morning and 7 o'clock in the

evening of any day, after giving to the tenant notice of the intended entry and the reason for it at least 24 hours before the intended entry; or

- (f) pursuant to judgment by the Disputes Settlement Committee; or
- (g) for the purpose of showing the premises to prospective tenants or to prospective purchasers, or to a registered valuer engaged in the preparation of a report, the owner may, with the prior consent of the tenant (which shall not be unreasonably withheld) and subject to such reasonable conditions as the tenant may attach to that consent, enter the premises at any reasonable time.

17.2 The following are prohibited under these regulations:

- (a) entry upon the premises by the owner other than as permitted under subsection 17.1; or
- (b) failure by the tenant, without reasonable excuse, to allow the owner to enter upon the premises in any circumstances in which the owner is entitled to enter under subsection 17.1; or
- (c) The use of force or the threat of force by the owner to enter or attempt to enter the premises while the tenant, or any other person with the permission of the tenant, is in the premises.

18.0 Abandonment of Premises and Tenant's Personal Property

18.1 An owner may consider that a tenant has abandoned the premises and any personal property if:

- (a) for a continuous period of one month, the tenant has not ordinarily occupied and for which the tenant has not paid rent; or

- (b) by written notification the tenant states that their intention is not to return to the premises; or
- (c) the tenant given the circumstances surrounding their departure could not reasonably be expected to return to the premises.

18.2 Personal property left on the premises after the tenant has vacated at the end of the tenancy agreement shall be considered abandoned unless the owner and tenant have otherwise agreed in writing.

18.3 A tenant who abandons the premises shall be liable to pay the rent for any period up to and including, but not after, the following date:

- (a) in the case of a periodic tenancy:
 - (i) two months from the date of abandonment; or
 - (ii) the date of commencement of a new tenancy of the premises;whichever is the earlier.
- (b) in the case of a fixed-term tenancy:
 - (i) the date of the expiry of the term; or
 - (ii) the date of commencement of a new tenancy of the premises;whichever is the earlier.

18.4 If personal property is abandoned as described in subsections 18.1 and 18.2 then the owner:

- (a) may remove the personal property from the premises; and
- (b) shall store the personal property in a safe place and manner for a period of not less than two months following the date of abandonment; and

- (c) shall keep a written inventory of the personal property; and
- (d) shall advise a tenant or a tenant's representative who requests the information that the personal property is stored or that it has been disposed of.

18.5 Despite subsection 18.4(b) the owner may dispose of the personal goods in the following situations:

- (a) where they are foodstuffs and other perishable goods; or
- (b) where the personal property has a total market value of less than 5000Nu; or
- (c) where the cost of removing, storing and selling the property would be more than the proceeds of its sale; or
- (d) where the storage of the personal property would be unsanitary or unsafe; or
- (e) where the two months have elapsed following the date of abandonment, and during this time the tenant or someone who has an interest in the personal property has not claimed for his or her personal property.

18.6 Where the owner disposes of the personal property it must be done in a commercially reasonable manner.

18.7 Before taking possession of the goods, the tenant or person who holds a security interest must pay to the owner all costs incurred in storing and transporting the goods before those goods are returned to them.

18.8 The owner may use the proceeds from the sale to pay for the costs of storage, transport, and sale of the goods, and any residual must then be returned to the tenant unless through reasonable effort the owner cannot find the tenant.

19.0 Form and Content of Notice to end Tenancy

19.1 In order to be effective, a notice to end a tenancy shall be in writing and shall:

- (a) be signed and dated by the owner or tenant giving the notice; and
- (b) give the address of the premises; and
- (c) state the effective date of the notice; and
- (d) state the grounds for ending the tenancy.

19.2 No tenancy to which this Act applies shall terminate or be terminated otherwise than as follows:

- (a) on the expiry of the term of the tenancy, in the case of a fixed-term tenancy; or
- (b) by the giving of notice of a period no shorter than that required by the Act and regulations made by the Authority; or
- (c) where the tenant acquires the owner's interest in the premises; or
- (d) where the tenant surrenders the tenancy, or delivers up vacant possession of the premises to the owner with the owners written consent; or
- (e) by a judgment of the Disputes Settlement Committee; or
- (f) where the owner and tenant agree in writing to end the tenancy.

20.0 Tenants Notice

20.1 A tenant may end a tenancy by giving the owner notice to end the tenancy effective on a date that is not earlier than two months after the date the owner receives the notice, unless the tenancy is for a fixed term.

20.2 Despite subsection 20.1, the tenant may end the tenancy by giving the owner notice to end the tenancy effective on a date that is not earlier than 14 days after the date the owner receives the notice:

- (a) if an owner has breached the tenancy agreement and having been notified by the tenant in writing has not rectified the breach within a reasonable time; or
- (b) where, otherwise than as a result of a breach of the tenancy agreement, the premises are destroyed, or are so seriously damaged as to be unfit for the purpose stated in the tenancy agreement.

20.3 Where the tenancy is a fixed term the tenant cannot terminate the tenancy before the end of its term unless:

- (a) the owner has breached the tenancy agreement and having been notified by the tenant in writing has not rectified the breach within a reasonable time, in which case subsection 20.2 applies; or
- (b) the tenancy agreement allows for an early termination; or
- (c) the owner in writing agrees to an early termination; or
- (d) the premises are destroyed, or are so seriously damaged as to be unfit for the purpose stated in the tenancy agreement, other than as a result of a breach of the tenancy agreement, in which case notice as in subsection 20.2 can be given.

21.0 Owner's Notice

21.1 An owner must give a minimum of two month's notice in the following circumstances:

- (a) where the owner requires the premises for occupation by the owner or by any member of the owner's family; or

(b) where the owner has agreed to sell the premises and is required by that agreement to yield the premises to the purchaser with vacant possession;
provided that the tenant has occupied the premises for at least six months from the start of the tenancy agreement.

21.2 In the case of a fixed term tenancy the circumstances given in subsection 21.1 cannot be used to end a tenancy.

21.3 An owner must give a minimum of one month's notice in the following circumstances:

- (a) the tenant does not pay the security deposit within one month of the date it is required to be paid under the tenancy agreement; or
- (b) the tenant is repeatedly late paying rent; or
- (c) the number of residing occupants on the premises exceeds the number allowed for in the tenancy agreement; or
- (d) the tenant has caused, or has permitted any other person to cause, or has threatened to cause, substantial damage to the premises; or
- (e) the tenant has assaulted, or has threatened to assault, the owner or any member of the owner's family, or any agent of the owner, or any occupier of any building of which the premises constitute a part, or any neighbour of the premises; or
- (f) the tenant or a person permitted on the premises by the tenant has engaged in illegal activity that:
 - (i) has caused or is likely to cause damage to the premises; or
 - (ii) has adversely affected or is likely to adversely affect the quiet enjoyment, security, safety or physical well-being of another occupant of the premises; or

- (iii) has jeopardized or is likely to jeopardize a lawful right or interest of another occupant or the owner.
- (g) the tenant does not repair damage to the premises as required under subsection 14.3(d), within a reasonable time; or
- (h) the tenant has failed to comply with a term of the tenancy agreement, and has not corrected the situation within a reasonable time after the owner gives written notice to do so; or
- (i) the tenant purports to assign the tenancy agreement or sublet the premises without first obtaining the owner's written consent; or
- (j) the tenant knowingly gives false information about the premises to a prospective tenant or purchaser viewing the premises; or
- (k) the tenant has not complied with a judgment of the Disputes Settlement Committee within one month of the later of the following dates:
 - (i) the date the tenant receives notice of the judgment; or
 - (ii) the date specified in the judgment for the tenant to comply with the judgment.

21.4 A tenant may dispute a notice under subsection 21.3 by applying to the Disputes Settlement Committee within the notice period.

21.5 If a tenant who has received a notice under subsection 21.3 does not apply to the Disputes Settlement Committee within the notice period, the tenant is conclusively presumed to have accepted that the tenancy ends on the effective date of the notice, and must vacate the premises by that date.

21.6 In the case where rent is unpaid and remains unpaid after the due date as set out in the tenancy agreement the owner may end the tenancy by giving notice to end the tenancy on a date that is not earlier than one month after the date the tenant receives the notice.

21.7 The notice under subsection 21.6 will have no effect if:

- (a) the amount of rent that is unpaid is an amount the tenant is permitted under the Act or regulations made by the Authority, to deduct from rent; or
- (b) rental payment owing is paid within the one month notice period; or
- (c) the tenant has applied in writing to the Disputes Settlement Committee giving a clear reason for non payment of rent, within the one month notice period.

21.8 If a tenant who has received a notice under subsection 21.6 does not fulfill one of the criteria under subsection 21.7, then the tenant is conclusively presumed to have accepted that the tenancy ends on the effective date given on the notice, and must vacate the premises to which the notice relates by that date.

21.9 If a tenancy agreement requires the tenant to pay utility charges to the owner and the utility charges are unpaid for more than one month after the tenant is given a written demand for payment for them, then the owner may treat the unpaid utility charges as unpaid rent and may give notice as per subsection 21.6.

21.10 If it is a fixed term tenancy and the agreement does not require the tenant to vacate at the end of the tenancy, the agreement reverts to a periodic tenancy, unless the owner gives written notice two months before the end of the tenancy that the tenant is required to vacate at the end of the tenancy.

22.0 Leaving the Premises at the end of the Tenancy

22.1 Unless an owner and tenant otherwise agree, the tenant must vacate the premises by midnight on the day the tenancy ends.

22.2 When a tenant vacates the premises, the tenant must:

- (a) quit the premises; and
- (b) remove all his or her goods from the premises; and
- (c) leave the premises in a reasonably clean and reasonably tidy condition, and remove or arrange for the removal from the premises of all rubbish; and
- (d) return to the owner all keys, and security or pass cards or other such devices provided by the owner for the use of the tenant; and
- (e) leave in or at the premises all other chattels provided by the owner for the use of the tenant.

23.0 The Disputes Settlement Committee

23.1 The Disputes Settlement Committee shall consist of;

- (a) One person, being a person who shall be appointed to be the Principal Disputes Adjudicator, who shall be responsible for ensuring the orderly and expeditious discharge of the business of the Committee throughout Bhutan; and
- (b) such number of other persons as may be required to ensure the efficient and expeditious exercise of the jurisdiction of the Committee throughout Bhutan, who shall be appointed to be Disputes Adjudicators by the Principle Disputes Adjudicator.

23.2 Every Disputes Adjudicator, in the performance of the Disputes Adjudicator's duties under these regulations, shall have and enjoy the same protection as Justices of the Peace acting in their criminal jurisdiction.

23.3 The Principle Disputes Adjudicator may appoint Registrars where appropriate throughout Bhutan:

- (a) to provide such secretarial and administrative services as may be necessary for the efficient and expeditious exercise of the Committees jurisdiction at the place for which the Registrar is appointed; and
- (b) to ensure that adequate arrangements are made for the filing and processing of all applications and other documents required or authorised to be filed under the Act and regulations of the Authority in the office of the Committee at that place; and
- (c) to arrange fixtures for cases to be dealt with by the Committee at that place; and
- (d) who shall ensure that assistance is reasonably available from himself or herself or his or her staff to any person who seeks it in completing any forms required by the Act and any regulations made by the Authority, or in doing anything in relation to the filing of an application or an appeal against a judgment of the Committee.

23.4 Each Registrar shall have in their custody a seal that shall be used for sealing documents that require to be sealed under the Act and any regulations made by the Authority, and any other document that any Disputes Adjudicator elects to seal.

23.5 The Committee shall have jurisdiction to determine in accordance with these regulations all disputes arising between owners and tenants in relation to any tenancy to which the Act and the regulations made by the Authority apply at any material time.

23.6 Subject to the provisions of the Act and of any regulations made by the Authority, the Committee shall:

- (a) exercise its jurisdiction in a manner that is most likely to ensure the fair and expeditious resolution of disputes between owners and tenants of premises to which this Act and any regulations made by the Authority applies; and
- (b) shall determine each dispute according to the general principles of the law relating to the matter and the substantial merits and justice of the case, but shall not be bound to give effect to strict legal rights or obligations or to legal forms or technicalities.

23.7 Proceedings before the Committee shall be commenced:

- (a) by the filing of an application in the prescribed form, together with the prescribed fee (if any) with the nearest Committee office by the most practicable route to the premises to which the dispute relates; and
- (b) when an application is filed in accordance with this section, the Registrar shall refer it directly to the Committee; and
- (c) where any application is referred to, or directed to be considered and determined by the Committee under this section, the Committee shall cause to be given to each party to the dispute reasonable notice of the time, place, and purpose of the hearing to be held in respect of the application; and
- (d) the notice of the hearing shall be in writing, and shall include the following:
 - (i) a statement of such particulars as will fairly inform the party to whom it is given of the substance of the matters to be dealt with at the hearing; and

- (ii) a reference to the relevant provision of the Act or regulations by the Authority of which the hearing will be held; and
- (iii) a statement of where information on the procedure of the Committee may be obtained; and
- (iv) a statement warning each party to whom the notice is given that if that party does not attend the hearing, the Committee may proceed to determine, dismiss, or adjourn the matter in that party's absence.

23.8 Where notice of a hearing has been given to a party in accordance with subsection 23.7 and that party does not attend the hearing, the Committee may hear and determine, or dismiss or adjourn the matter in the absence of that party.

23.9 The Committee shall give its final decision in any proceedings, together with its reasons for the decision, in writing and with written notice of the rights of appeal (if any) against its decision, including any time limits on those rights.