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རྒྱལ་ཡོངས་ས་ཆ་ལྷན་ཆོག་ལས།

ས་ཆ་བཀོལ་སྤྱོད་ལག་ཁྱེར་གྱི་བཅའ་ཡིག་དང་སྒྲིག་གཞི།
སྤྱི་ལོ་ ༢༠༢༣ ཅན་མ།



Land Use Certificate Rules and Regulations 2023

Royal Government of Bhutan
National Land Commission

FOREWORD

His Majesty The King's vision revolves around recognizing the pivotal role of land as a primary factor of production and an indispensable means of livelihood. The goal is to achieve a self-reliant economy by utilizing land in a sustainable manner while ensuring its long-term management and viability.

To bring this vision to fruition, the concept of Land Use Certificate (LUC) was introduced as an additional land tenure, alongside Freehold and Leasehold, to enable strategic allocation, productive utilization, and effective management of Bhutan's limited arable State Land. This will additionally deter and handle conflicting and competing interests regarding the limited State Land among the institutions.

In line with the Land Act of Bhutan, 2007, and considering the current practices of State Land acquisition for LUC, Rules and Regulations for the allotment of State Land on Land Use Certificate, 2023, has been formulated. The aim is to efficiently manage the limited State Land and allocate it to eligible agencies in a responsible manner.

Further, in an effort to improve the provision of services and create a more efficient operational framework, an online platform has been created specifically for obtaining the State Land for Land Use Certificate. This innovation serves the purpose of optimizing the allocation procedure by fostering greater efficiency and effectiveness. Through the utilization of this digital system, the process of acquiring the certificate is streamlined, leading to quicker and smoother interactions between the concerned parties. This modern approach not only enhances service delivery but also contributes to the overall enhancement of the allocation process, facilitating a more seamless experience for all stakeholders involved.

The formulation of the Rules and Regulations for the allotment of State Land on Land Use Certificate, 2023, was carried out by the National Land Commission Secretariat (NLCS) in strict adherence to the Land Act of Bhutan, 2007. This Rule is specifically guided by the provisions outlined in Section 6(e), 10(h), 62, and 233 of the Land Act 2007.

A handwritten signature in blue ink, consisting of stylized loops and horizontal strokes, representing the name Tshering Gyaltsen Penjor.

Tshering Gyaltsen Penjor
Secretary

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ACRONYM

LUC:	Land Use Certificate
SL:	State Land
DLC:	Dzongkhag Land Committee
TLC:	Thromde Land Committee
SoE:	State-Owned Enterprise
SLA:	State Land Acquisition

PRELIMINARY

In accordance with Section 6(e), 10(h), 62, and 233 of the Land Act of Bhutan, 2007, the National Land Commission Secretariat (NLCS) formulated the Rules and Regulations for the allotment of State Land on Land Use Certificate, 2023.

Title, Extent, and Commencement

1. This Rules and Regulations shall:

(a) Be called the Rules and Regulations for Allotment of State Land on Land Use Certificate 2023, hereafter referred to as 'LUC Rules and Regulations 2023'.

(b) Extend to the whole of the Kingdom of Bhutan; and

(c) Come into force on the 17th Day of the 9th Month of the Water Female Rabbit Year, of the Bhutanese calendar corresponding to the 30th Day of October, 2023.

Repeal

2. This Rules shall supersede all circulars and notifications in force concerning the subjects under this Rules and Regulations.

General Provisions

3. The Land Use Certificate (LUC) is a supplementary land tenure system to freehold and leasehold.

4. The State Land registered on LUC shall not be converted to freehold.

5. The construction of permanent structures on the State Land registered as LUC is permissible in accordance with intended purposes.

6. The area of the State Land released on LUC shall be contingent on the genuineness of the requirement.

7. The land tax shall be levied at par with the prevailing land tax rates.

Eligibility Criteria

8. Allotment of land on LUC is eligible for only Government Institutions, including State-Owned Enterprises and Government owned Corporations, and Gerab Dratshang.
9. State Land acquired by the Government Institutions and Gerab Dratshang shall be registered on LUC to the acquiring agency.
10. If the intended activity is business-oriented in nature, the acquisition of State Land shall be on leasehold.

Institutional Arrangement

Dzongkhag/Thromde Land Committee (DLC/TLC)

11. The Dzongkhag/Thromde shall constitute a Committee to verify and recommend the State Land on LUC.
12. The Dzongkhag Land Committee (DLC) shall comprise of the following members:
 - i. Dzongdag, as a Chairperson
 - ii. Head, Land Sector, as a Member Secretary
 - iii. Other relevant officials as and when deemed necessary
13. The Thromde Land Committee (TLC) shall comprise of the following members:
 - i. Executive Secretary, as a Chairperson
 - ii. Head, Land Sector, as a Member Secretary
 - iii. Other relevant officials as and when deemed necessary

Roles and Responsibilities

14. The applicant shall:
 - i. Submit a proposal to Dzongkhag or Thromde
 - ii. Collaborate with Dzongkhag/Thromde in a field verification, demarcation, and other related activities, and
 - iii. Obtain clearances from the relevant agencies.

15. The DLC/TLC shall:

- i. Review, scrutinize, and reject or recommend the proposals to NLCS
- ii. Recommend for Preliminary Approval as and when required; and
- iii. Conduct a field verification and survey the area to be acquired.

16. The Secretariat shall:

- i. Assess and review the proposal and scrutinize detailed reports submitted by the DLC/TLC; and
- ii. Approve the proposal for allotment of the State Land or reject/defer the proposal with justification.

Procedure

17. The applicant shall submit an online application (Form SLA-1 for offline) to the Dzongkhag or Thromde duly attaching all required documents.

18. The DLC/TLC shall conduct a field visit for a feasibility study as prescribed in the form (SLA-2) after the receipt of a proposal.

19. The DLC/TLC shall submit the proposal to the NLCS incorporating a survey report, with relevant sectoral clearances and any other relevant documents.

20. The NLCS shall assess the proposal and approve/reject/defer the proposal.

21. The DLC/TLC shall release the State Land on LUC upon approval.

Document Submission

22. For Government Institutions:

- i. Online application (Form SLA-1 for offline), SLA-2 and Survey report form (SLA-4)
- ii. Relevant Sector Clearances
- iii. Budgetary source and supporting plan documents
- iv. Letter of recommendation from parent agency

23. For Gerab Dratshang:

- i. Online application (Form SLA-1 for offline), SLA-2 and Survey report form (SLA-4)
- ii. Relevant Sector Clearances
- iii. Budgetary source and supporting plan documents
- iv. Letter of recommendation from Dratshang Lhentshog and relevant Agencies

Terms and Conditions

24. The State Land allotted on LUC shall:

- i. Not be engaged in any form of transactions such as inter-institutional transfer, exchange with private land, mortgage, sale, and gift to any parties. However, in case of inter-institutional transfers, the parcel of land to be transferred shall be first surrendered and declared as State Land. The proposing party(s) may process for fresh LUC following the delineated procedures, which may be subject to approval on whole or part depending on the proposal and intended activity.
- ii. Not be leased to other parties. However, a part of the land or facilities may be rented out for any complementary activities.
- iii. Be reverted to State, whole or part of the Land, if unutilized, underutilized, or deviated from the intended purposes.
- iv. When LUC holding agencies are corporatized with private shareholders, LUC shall be converted to Leasehold.
- v. In the event, the LUC plot is acquired for national interest, the affected LUC holder shall not be entitled for compensation of the structures. However, the land shall be relocated depending on the continuity of operation.

Annulment

25. The State Land allotted on LUC shall be annulled if:

- i. If the State Land allotted on LUC is not utilized within three consecutive years, the Land shall be reverted to the State.
- ii. The LUC holder desires to surrender the land, the applicant shall submit an application through the concerned Dzongkhag or Thromde. The surrendered land shall be recorded under -111 for Rural and -1111 for Urban areas in eSakor Database.
- iii. It is not optimally used on the ground. The underutilized part or whole parcel shall be reverted to the State.
- iv. It has deviated from its approved purpose. Taxes/fees are not paid for three consecutive years.
- v. When Government Institutions are corporatized with private shareholders.

Monitoring

26. The Dzongkhag or Thromde Land Sector shall be responsible for monitoring LUC plots annually.

27. The Dzongkhag or Thromde shall submit the monitoring and action taken report to the NLCS annually.

28. NLCS may randomly monitor as and when deemed necessary.

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Part IV.

Other prerequisite documents to be annexed:

1. Construction Approval (If applicable)
2. Certificate of Registration (If applicable)

Part V

Signature of the applicant:

Date:

For official use only

Received by (Name and signature)

Date:

Transaction Id:

SLA-2

State Land Allotment Committee's Verification Report

1. Transaction Id:
2. URC No:
3. Plot No:
4. Field Observations of the Committee:

5. Recommended Area:

6. Attachments

6.1 Cadastral map

6.2 Photographs

Head, Land Sector

DE/Urban Planner

Environment Officer

CFO/Park Manager

Dzongdag/ Executive Secretary)

Assessment of Preliminary Proposal**Part I**

		Page No.
1. Transaction ID:		
2. Recommendation of SLAC, SLA-2		
3. Application, SLA-1		
4. Cadastral Map		
5. Photographs (if necessary)		
6. Approval for Construction (If applicable)		
7. Registration Certificate (If applicable)		

Part II

Observations of the Secretariat:

**Dealing Official
Head**

Section

Chief, CID

Chief, LMD

Director, DoLAM

(Hon'ble Secretary)

Survey Report

1. Transaction ID:
2. Name of Beneficiary/Agency:
3. CID No:
4. Ownership Type:
5. Gewog:
6. Dzongkhag:

Sl. No	Plot No	Area	Plot Name	TypeType/ Precinct	Purpose	Remarks

**Agency's Representative
Name & Signature**

**Surveyor
Name & Signature**

**Land Sector Head
Name & Signature**

**Tshogpa
Name & Signature**

**Gup/Urban Planner
Name & Signature**

Final Approval

1. Transaction Id:

2. LUC No:

3. Applicant:

4. Plot No:

5. Area (Acre/s)

6. Purpose:

7. Preliminary Approval

No. of Page

8. Survey Report

9. Forestry Clearance

Dealing Official

Chief Land Registrar, LMD

Director, DoLAM

(Hon'ble Secretary)

Surrendering LUC

1. Transaction Id:
2. LUC No:
3. Applicant:
4. Plot No:
5. Area (Acre/s)
6. Purpose:
7. Reason for surrendering:

8. Dzongkhag/Thromde's recommendation:

Page No.

Dealing Official

Section Head

Chief, LMD

Director, DoLAM

(Hon'ble Secretary)



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