



PRIME MINISTER

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Royal Government of Bhutan

C-02/ 341

2 April 2014

Executive Order

The Royal Government accords high priority to economic development and is committed to improving the business environment in the country. Despite a number of regulatory reform initiatives to improve the delivery of public services, the country continues to rank low in the global indexes that measure the Ease of Doing Business. The country was ranked 141 out of 189 countries in the World Bank's Doing Business Report 2014. Such low rankings have a negative perception on the country and affect investor confidence of both domestic and foreign investors. Moreover, the ranking indicates that doing business is cumbersome and difficult in Bhutan. There is, therefore, a need to immediately take proactive measures to improve the country's ranking in the Doing Business Indicators as it is one of the most referred indexes in assessing business climate in countries across the world. The Royal Government has decided to raise Bhutan's ranking to top 100 within the next two years.

The Doing Business Report measures and focuses on the policies/regulations relevant to the lifecycle of small, medium and large businesses and track changes in business environment across ten indicators, namely;

- 1) Starting a business;
- 2) Dealing with construction permits;
- 3) Getting electricity;
- 4) Registering property;
- 5) Getting credit;
- 6) Protecting investors;
- 7) Paying taxes;
- 8) Trading across borders;
- 9) Enforcing contracts and
- 10) Resolving insolvency.



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As apparent from the above, improving the Ease of Doing Business ranking requires inter-sectoral collaboration and partnership with the private sector. Accordingly, the Royal Government hereby institutes the following mechanism for undertaking the reform measures.

- 1) The Doing Business Steering Committee is constituted to oversee the reform initiatives and each Minister shall be made responsible to oversee reforms in one indicator as listed in Annex-1. The Committee shall be chaired by the Prime Minister with Joint Secretary of Ministry of Economic Affairs as the Member Secretary.
- 2) A Doing Business Task Force is hereby constituted to review, recommend and implement the reforms across the Government. The Task Force shall report the progress as well as issues that require further directives to the Doing Business Steering Committee on a monthly basis.
- 3) The Task Force shall be chaired by the Minister, Ministry of Economic Affairs and comprise of the following senior officials:
 1. Secretary, Ministry of Works and Human Settlement
 2. Secretary, Ministry of Information and Communications
 3. Secretary, Ministry of Finance
 4. Secretary, Ministry of Labour and Human Resources
 5. Secretary, Ministry of Home and Cultural Affairs
 6. Attorney General, Office of the Attorney General
 7. Secretary, National Land Commission
 8. Secretary, National Environment Commission
 9. Joint Secretary, Ministry of Economic Affairs
 10. Registrar, Royal Court of Justice, Thimphu
 11. Thrompoen, Thimphu Thromde
 12. Deputy Governor, Royal Monetary Authority
 13. President, Bhutan Chamber of Commerce and Industry (BCCI) and four private sector representatives nominated by BCCI.
 14. Head, Policy and Planning Division, Ministry of Economic Affairs – Member Secretary



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The Doing Business Task Force may invite concerned officials from the local governments, private and public institutions to participate, complement and assist in the reform initiatives as and when necessary.

All agencies of the Royal Government, including government owned or controlled corporations, and the private sector agencies are hereby directed to extend full support and cooperation in the implementation of reform measures.

This Executive Order shall take effect immediately.

(Tshering Tobgay)



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Annexure-1:

Distribution of doing business indicators for the ministers:

- 1.) Starting Business- Minister, Ministry of Economic Affairs
- 2.) Dealing with Construction Permit- Minister, Ministry of Works & Human Settlement
- 3.) Getting Credit- Minister, Ministry of Finance
- 4.) Trading Across Borders- Minister, Ministry of Foreign Affairs
- 5.) Protecting Investors- Minister, Ministry of Home & Cultural Affairs
- 6.) Enforcing Contract- Minister, Ministry of Labour & Human Resources
- 7.) Paying Taxes- Minister, Ministry of Education
- 8.) Registering Property- Minister, Ministry of Health
- 9.) Resolving Insolvency-Minister, Ministry of Agriculture & Forests
- 10.) Getting Electricity-Minister, Ministry of Information & Communication