



**NATIONAL PENSION AND PROVIDENT FUND
HOUSING MANAGEMENT RULES AND
REGULATIONS, 2018**

[Handwritten signature]

4
2

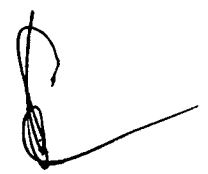
.

.



Table of Contents

Preamble	3
1. Title, Commencement, Extent, Repeal.....	3
2. Definition	4
3. Rules of Construction	6
4. Administration.....	6
5. Application for NPPF Unit.....	6
6. Allotment Criteria and Procedure	6
7. Prohibition on Allotment.....	7
8. Agreement	7
9. Rent, Charges, Revision and Penalty.....	8
10. Sub-lease.....	8
11. Exchange of flats	9
12. Security Deposit.....	9
13. Inspection.....	9
14. Damage.....	9
15. Vacation of NPPF Unit.....	10
16. Duties of the Tenant	11
17. Duties of NPPF	12
18. Governing Law and Dispute Resolution.....	12
19. Authority to Amend or Repeal.....	12



Preamble

Whereas the National Pension & Provident Fund (NPPF) being one of the prominent real estate development agencies and the custodian of numerous housing complexes calls for efficient management of the NPPF 's housing facilities;

Hence, the NPPF under the powers conferred by the Executive Order, 2002 here by amend the National Pension and Provident Fund Housing Rules and Regulations 2013 in order to promote a fair, judicious and transparent system of management of housing units and facilitate in providing decent housing accommodation to the tenants.

1. Title, Commencement, Extent, Repeal

1.1. Title

This Rules and Regulations shall be called the "National Pension and Provident Fund Housing Management Rules and Regulations 2018".

1.2. Commencement

This Rules and Regulations shall come into force from the 25th day of seventh month of Earth Male Dog Year of the Bhutanese calendar corresponding to the 5th day of September 2018.

1.3. Extent

It shall cover and apply to all the tenants occupying the NPPF unit and landed property in the country.

1.4. Repeal

This rules and regulations shall repeal all earlier rules and regulations made by the NPPF with regard to the management of NPPF units.

2. Definition

In this rules and regulations unless the context indicates otherwise, the words, phrases and acronyms are defined as follows:

- 2.1. **Agreement** means a written agreement executed between the NPPF and the tenant that lays down the terms and conditions of the tenancy duly signed by the parties and attested by two independent witnesses with legal stamp affixed therewith.
- 2.2. **Agency** means a business entity or a government organization.
- 2.3. **Chairperson** means chairperson of the NPPF Housing Management Committee.
- 2.4. **Defaulter** means any tenant who does not pay the rent and penalty or utility charges on time.
- 2.5. **Emergency** means an occasion when the NPPF unit or landed property is affected by natural calamities or when there is imminent danger that would cause destruction to the rental unit or landed property.
- 2.6. **Government** means Royal Government of Bhutan.
- 2.7. **NPPF Unit** means residential, commercial and office units.
- 2.8. **Illegal Activities** means activities that violate the provisions of the NPPF Housing Management Rules & Regulations and/or the laws of the land.
- 2.9. **Landed property** means the properties that generate income to the NPPF, i.e. land and buildings.
- 2.10. **Member** means an employee who is currently contributing to the National Pension & Provident Fund Plan.
- 2.11. **NPPF** means the National Pension and Provident Fund, its branches, department, divisions and sections as the case may be.
- 2.12. **NPPFP** means the National Pension and Provident Fund Plan.
- 2.13. **Negligence** means a breach of duty of care, which results in damage during the occupancy of the NPPF unit.
- 2.14. **Rent** means a stipulated amount fixed from time to time by the NPPF required to be paid by the tenant for the use or occupancy of the landed properties.
- 2.15. **Real Estate Division** means a Division of the NPPF entrusted with the function to look after the management of its NPPF units and landed properties.
- 2.16. **Security Deposit** means a deposit of money to the NPPF at the time of execution of an agreement, to protect NPPF's interests if the tenant violates the



terms & conditions of the agreement. It may be used to cover the cost of damages.

- 2.17. **Sublease** means if any NPPF unit or landed property is leased to a third party in violation of the terms of the tenancy/lease agreement.
- 2.18. **Sub Tenant** means a person who leases NPPF unit from the tenant.
- 2.19. **Tenant** means an individual/business entity/agency who holds or possesses a NPPF unit and landed property for monthly rental basis or lease.
- 2.20. **Tenancy** means the possession and occupancy of a NPPF unit or landed property on monthly rental basis or lease upon the execution of the agreement between the NPPF and a tenant.
- 2.21. **Tenancy Act** means the Tenancy Act of the Kingdom of Bhutan, 2015 and any amendments thereafter.
- 2.22. **Third Party** means an individual/business entity/agency who is not a party to the agreement.
- 2.23. **Unlawful Occupation** means any individual/business entity/agency who occupies NPPF unit or landed property without renewing the agreement or after eviction notice/s had been served by the NPPF.
- 2.24. **Utility Charges** means the charges for services such as telephone, internet services, television, electricity, water, sewerage and other charges.
- 2.25. **Principle of seniority** in the context of allotment of residential unit to its members means the senior most active member reckoned from the date of joining provident fund scheme and who applies for a residential unit in response to an advertisement and fulfills all other eligibility criteria is allotted the unit
- 2.26. **Public housing unit** means National Housing Development Corporation Limited housing unit or staff housing facilities provided by a member agency concerned.



3. Rules of Construction

In this rules and regulations, unless the context indicates otherwise, the singular shall include plural and the masculine shall include the feminine.

4. Administration

- 4.1. The National Pension and Provident Fund shall enforce this Rules and Regulations in respect of management of NPPF units or landed properties owned by NPPF.
- 4.2. The NPPF shall constitute a NPPF Housing Management Committee headed by the Director or Chief in Thimphu/Regional Heads in other places concerned to manage and ensure proper administration in all matters relating to management of NPPF units and other real estate properties of NPPF.

5. Application for NPPF Unit

- 5.1. Any vacant NPPF unit shall be announced in the NPPF's website and/or print media. Eligible members/business entities /agencies shall apply as per the terms & conditions prescribed by the NPPF.
- 5.2. The application for allotment of NPPF unit and landed property shall be addressed to the Chief, Real Estate Division, NPPF for Thimphu and Regional Heads concerned, for other places.

6. Allotment Criteria and Procedure

- 6.1. Applicant shall be entitled to the NPPF units and landed properties, subject to fulfillment of the following criteria.

6.1.1. Residential Unit

- i. Shall be allotted to members based on principle of seniority of provident fund membership;
- ii. In case there are two or more equally eligible members for one unit, the allotment shall be based on a lucky draw.
- iii. Where there are two or more units vacant under the same category at the same time, the allotment of the units shall be done through luck draw among the eligible members.



- iv. A member who has occupied a unit for a maximum period of 10 years (regardless of whether the occupation was on intermittent or continuous basis) in one location/place/town shall be ineligible for re-allotment or renewal of the agreement in the same location/place/town.
- v. The eligible member or his spouse if working shall not be eligible for allotment if they are occupying any other public housing unit.
- vi. The applicant and his legal spouse shall not own any residential housing unit (i.e building, flat, bungalow etc.) in the place where the applicant works but limited to the Thromde/town boundary.

6.1.2. Commercial/Office Unit

- i. Any person/business entity/agency can apply for the NPPF unit as per the prescribed terms & conditions of NPPF.
- ii. All commercial and office units shall be allotted based on the prescribed terms & conditions of NPPF.

7. Prohibition on Allotment

- 7.1 The NPPF shall not allot any NPPF unit and landed property for immoral or illegal activities, which are against the laws of the land.

8. Agreement

- 8.1. The NPPF shall execute an agreement with the business entity/agency /member tenant concerned before or during the time of handing over the possession of the NPPF unit and landed property. The tenant shall also be required to sign "Entry and Exit Condition Report" which includes a list of inventory of the fixtures, electrical and sanitary items that shall be attached along with the agreement and shall be deemed as an integral part of the agreement.
- 8.2. The agreement shall be renewed at the end of the tenancy period for continued occupation of the NPPF unit and landed property.
- 8.3. If the tenant wishes to renew the agreement, he shall serve the NPPF a written notice of two months prior to expiry of the agreement, failing which the NPPF shall take possession of the NPPF unit from the date of expiry of the agreement.

- 8.4. If any tenant wishes to vacate the NPPF unit, on or before the expiry of the agreement, the tenant shall serve the NPPF a written notice of two months in advance.
- 8.5. If a tenant is required to move to other locations on the orders of the government due to emergency or unavoidable circumstances, the tenant shall not be required to deliver prior notice as required under this rules and regulations. However, the concerned tenant shall submit supporting documents to the NPPF.
- 8.6. Renewal of residential units shall be subject to clause 6.1.1.vi.

9. Rent, Charges, Revision and Penalty

- 9.1. The NPPF Housing Management Committee shall fix the rent as per the prevailing market trend based on the location and the type of NPPF unit.
- 9.2. The tenant shall be required to pay rent on or before the 10th day of the following/ensuing month directly to the Bank or its branches indicated in the agreement using the pre-printed/pre-numbered rent invoices supplied by the NPPF or as per the directives or procedures prescribed by the NPPF from time to time.
- 9.3. The tenant willing to pay the monthly rent from their salary shall be allowed to do so through their employer and deposit at the bank designated by the NPPF.
- 9.4. The rent shall be revised as per the provisions of the Tenancy Act of the kingdom of Bhutan, 2015 and amendments thereof.
- 9.5. In the event the tenant fails to pay the rent on time, the tenant shall be liable to pay accumulated rent with penalty @ 2% per month on the defaulted amount.
- 9.6. The Housing Management Committee may from time to time introduce and collect nominal amount for service charges for basic services rendered by the NPPF.

10. Sub-lease

- 10.1. A tenant of the NPPF unit and landed property shall not sublease the NPPF unit and landed property either in part or whole to a third party, which shall constitute a violation of the agreement and Tenancy Act of Bhutan.

- 10.2 The tenant must occupy the allotted unit. If the tenant fails to do so, it shall be considered as sub-leased to a third party and shall be considered a breach of the tenancy agreement.
- 10.3 In case of sub-lease, the agreement shall become void and the tenant shall ensure that the sub-tenant vacate the NPPF unit and hand over the flat to NPPF within two months after being served a written notice by NPPF. In case of failure to hand over the NPPF unit, the matter shall be dealt in accordance with the Tenancy Act.

11. Exchange of flats

Exchange of NPPF unit shall not be permitted. Such exchanges shall be considered as a breach of the Housing Management Rules & Regulations. The agreement shall be deemed terminated and the unit surrendered to NPPF as per the written notice served by NPPF.

12. Security Deposit

- 12.1. A tenant shall deposit an amount equivalent to two months' rent as security deposit. The security deposit shall not accrue any interest on it.
- 12.2. The NPPF shall refund the security deposit at the time of vacation of the NPPF unit by the tenant, subject to adjustment of costs for repair of damages and recovery of dues, if any.

13. Inspection

- 13.1 The NPPF or its authorized officials shall enter the NPPF unit whenever necessary, with the prior consent of the tenant except in case of an emergency.

14. Damage

- 14.1. The tenant shall be liable to repair/replace damaged structures, fixtures, and electrical or sanitary items listed in the Entry and Exit Condition Report, caused due to his/her negligence.
- 14.2. If the tenant fails to repair/replace damaged structures and any fixtures, electrical or sanitary, the cost of such repair/replacement of damage shall be deducted from the security deposit.

- 14.3 If the security deposit is inadequate to cover the cost of repair/replacement, the tenant shall be required to pay the balance amount, failing which the matter shall be dealt as per the tenancy agreement and Tenancy Act of Bhutan.

15. Vacation of NPPF Unit

- 15.1. The NPPF shall require respective member tenants and the employer agencies to notify the transfer, retirement or termination of employee residing in NPPF unit to the NPPF for proper implementation of this Rules and Regulations.
- 15.2. The tenant shall be required to produce money receipts for the payment of utility bills for the last month of occupancy, and physically hand over the NPPF unit.
- 15.3. The tenant shall be allowed to occupy the NPPF unit upon specific written request up to a maximum of six months to complete the necessary formalities upon retirement, resignation, compulsory retirement or termination from service. The NPPF unit shall be taken over by the NPPF on completion of the grace period after collection of dues, if any.
- 15.4. The tenancy shall cease on the date of demise of the tenant during tenancy period. However, the family of the deceased may be allowed a grace period up to a maximum of six months on specific written request by the next of kin. The NPPF unit shall be surrendered to the NPPF on expiry of the grace period.
- 15.5. To ensure that tenants vacate the NPPF unit as per the provisions of the Housing Rules and Regulations, the NPPF shall retain their provident fund balance until such time that the NPPF unit has been vacated and handed over to the NPPF. The retained provident fund money will be released upon surrender of the NPPF unit, which will be attested by a NOC issued by the Real Estate Division to this effect.
- 15.6 NPPF is not bound to provide housing facilities to tenants who have been transferred to other Dzongkhags/Thromdes/Dungkhags.
- 15.7 A tenant occupying the NPPF unit shall surrender the same upon transfer from the station.
- 15.8 In the event, if any NPPF unit needs to be removed or converted into any other utility by the NPPF, the NPPF shall not be responsible to provide substitute unit.

- 15.9 If a tenant fails to provide required notice for vacation as per Tenancy Act of Bhutan, he shall be liable to compensate NPPF for the loss of business income for the period the facility remains vacant, up to a maximum period of 2 months.

16. Duties of the Tenant

The Tenant shall:

- 16.1. Always abide by this rules and regulations, the agreement and other directives issued by the NPPF from time to time.
- 16.2. Pay the rent as per the provisions of clause 9.2. In case of failure to do so; a penalty on the rental dues shall be levied in line with clause 9.5.
- 16.3. Be responsible for timely payment of utility and service charges to the authorities concerned, as billed by the service providers.
- 16.4. Not use the NPPF unit or premises for illegal activities and use it only for the purpose for which it was rented.
- 16.5. Not be allowed to erect/build unauthorized structures, disfigure the unit or in any way compromise the aesthetic and structural integrity of the building.
- 16.6. Not be allowed to occupy common utility areas by constructing additional structures such as garages, stores, extensions, etc.
- 16.7. Not store anything in the passage, staircase and vicinity of the building.
- 16.8. Not use the NPPF unit and the premises for immoral or illegal activities.
- 16.9. Be collectively responsible for keeping the common areas of the NPPF units clean and in hygienic condition. If a tenant is found littering or disposing garbage in or around the housing complex, the tenant shall be held responsible and appropriate action shall be taken.
- 16.10. Not rear or keep any cattle, pigs, dogs, poultry or other animals on any part of the premises. Pets if at all reared shall be kept indoor and tied in order to avoid littering in the premises or endangering the safety of the tenants and other people alike. In the event of complaint against a tenant for rearing pets in contravention of this rules and regulations or any other directives issued from time to time, the NPPF reserves the right to take appropriate action or even evict the tenant depending on the gravity of the case.
- 16.11. Abstain from causing nuisance/disturbance to neighbours or other tenants.

16.12. Not sublease the NPPF unit either in part or whole to the third party in violation of the agreement.

17. Duties of NPPF

The NPPF shall:

- 17.1. Keep the premises fit for decent living.
- 17.2. Enter the NPPF unit only with the prior consent of the tenant except in case of emergencies.
- 17.3. Maintain the NPPF unit in line with the health and safety rules and regulations.
- 17.4. Not evict the tenant during the existence of tenancy without just and sufficient cause.
- 17.5. Repair suo moto or on the complaints of the tenant, the NPPF unit as per the terms and conditions of the tenancy agreement.
- 17.6. Notify the tenant in case of the sale of a NPPF unit and disclose the name and address of the purchaser and other necessary information for the purpose of tenancy.
- 17.7. In case of force Majeure event(s) resulting in inhabitable condition of the unit, serve immediate notice to vacate the unit.

18. Governing Law and Dispute Resolution

- 18.1. The laws and by-laws of the Kingdom of Bhutan shall govern this NPPF Housing Management Rules & Regulations.
- 18.2. The parties shall amicably resolve any dispute arising from the tenancy failing which the matter shall be referred to the Dispute Settlement Committee as per the Tenancy Act, 2015 and amendments thereof for further adjudication.

19. Authority to Amend or Repeal

The Board may, at any time amend this Rules and Regulations by adding, altering and or repealing the provisions of this Rules and Regulations.

