

GUIDELINES

FOR MANAGEMENT OF REGIONAL TOURIST



**TOURISM COUNCIL OF BHUTAN
KINGDOM OF BHUTAN**

July 2020



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TOURISM COUNCIL OF BHUTAN
ROYAL GOVERNMENT OF BHUTAN



Vision: A green, sustainable, inclusive and a high value tourism destination

Foreword

The Tourism Council of Bhutan is pleased to issue Guideline for the Management of Regional Tourist and Standard Operating Procedure for payment of SDF by regional leisure tourists 2020, which has been approved by the Third Lhengye Zhungtshog during its 68th session held on 21st July 2020.

The guideline has been developed in considering the shortcomings faced by regional tourists and as mandated by the Tourism Policy of the Kingdom of Bhutan 2020 to uphold the sustainable approach of **High Value, Low Volume** in the tourism sector of Bhutan.

The Tourism Council of Bhutan through this Guideline and Standard Operating Procedure expects to address the inconveniences caused to the regional tourist and the destination and also ensure providing of good experience to all tourists through quality services, safety and security of the tourist.

While the Guideline will be implemented as provided, the provision relating to the ground transport in the Guideline will not be implemented until further directives. Therefore the kind support of the stakeholders in successful implementation of the Guideline and Standard Operating procedure is requested.

Dr. Tandi Dorji
Chairperson,
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BACKGROUND

Bhutan follows a unique sustainable approach to tourism development guided by its policy of 'High Value, Low Volume'. In addition, each tourist visiting Bhutan is categorized as either an international tourist or a regional tourist based on their nationality. Regional tourists are considered those tourists who have the nationality of one of the following three countries: Bangladesh, India, and Maldives. All other tourists are considered international tourists.

At present, the High Value, Low Volume policy is supported by the Minimum Daily Package system. However, this system only applies to international tourist, while regional tourist are exempted.

With the rapid increase in regional tourism to Bhutan in combination with the aforementioned exemption of regional tourist to the Minimum Daily Package system, the following major inconveniences have been experienced and reported by regional tourist:

1. Long wait at border gates due to availability of limited number of entry permit process facilities;
2. Tourism Council of Bhutan (TCB) not being able to effectively follow up on any complaint lodged against non-Bhutanese tour operator by regional tourist;
3. No minimum service guaranteed, since there is no system in place to monitor and safeguard the service delivery to regional tourist;
4. Increase in conflicts with Bhutanese law and culture, as majority of regional tourist are not accompanied by licensed Bhutanese tour guide;
5. Increase in motor accidents, since regional tourist does not use Bhutanese vehicle driven by a licenced Bhutanese driver, experienced in navigating the Bhutanese roads and better knowledge of Bhutanese traffic rules: and
6. Levy of entry fees at certain tourist sites and monuments, since regional tourist do not have the option to pay any entry fee in advance.

In an effort to address some of the above issues, an optional online permit system accessible only to licensed Bhutanese tour operator and TCB certified accommodation, within the Tashel Online System, was introduced for regional tourist in 2017. Similar to international tourist,

regional tourist who process their travel through a licensed Bhutanese tour operator or TCB certified accommodation will receive their permit in advance of their visit. Furthermore, this system guarantees them the services of a licensed Bhutanese tour guide, TCB certified accommodation, and the option to use registered Bhutanese tourist vehicle with a licensed Bhutanese driver or foreign vehicle with terms and conditions.

RATIONALE OF THE GUIDELINE

Bhutan's tourism sector follows a unique sustainable approach of **High Value, Low Volume** and has consistently sought to ensure a controlled tourism sector growth that is within the carrying capacity of its infrastructure, and socio-cultural and natural environment.

High value, Low volume tourism refers to targeting mindful and responsible visitors, creating good value for money experiences, high revenue and yield, quality infrastructure and tourism products and services and Brand Bhutan. While ensuring that the number of tourists Bhutan receives is consistent with the absorptive carrying capacity of our natural endowment, socio-cultural values and infrastructure and does not exacerbate our vulnerabilities as a small nation.

Considering the shortcomings faced by regional tourists and as mandated by the Tourism Policy of the Kingdom of Bhutan 2020 to uphold the sustainable approach of High Value, Low Volume in the tourism sector of Bhutan, the Government has decided to develop guidelines for the management of regional tourism with the following important objectives:

1. Provide good experience to all tourists through quality services;
2. Ensure safety and security of the tourist; and
3. Uphold the policy of High Value, Low Volume tourism.

Glossary of terms

- a. **“Accommodation”** means a TCB certified tourist accommodation including village homestay, hotel and tented accommodation and other hotels not registered under the Tourism Council of Bhutan
- b. **“Bhutanese Tour Operator”** means a licensed Bhutanese tour operator operating as a Ground Handler for both regional and international tourist.
- c. **“E-Permit”** means the online permit availed by the regional tourist through ground handler upon payment of tour package including SDF in advance.
- d. **“Ground Handler”** means a Bhutanese tour operator having access to the e-permit system and who process a permit for the regional tourist and make tour arrangement for regional tourist.
- e. **“ Guidelines”** means the Guidelines for Management of Regional Tourism 2020;
- f. **“International Tourist”** means tourist other than National of Bangladesh, India and Maldives.
- g. **“Minimum Daily Package Rate (MDPR)”** refers to the minimum rate paid by all leisure tourist for an all-inclusive package tour to Bhutan. This includes Sustainable Development Fee component and payment for the all-inclusive service package (accommodation, meals, guides and ground transport within Bhutan).

The current MDPR is USD 250 per person per night during peak months (March, April, May, September, October, November) and USD 200 per person per night during other months of the year (December, January, February, June, July, August). For both periods the SDF is fixed at \$65 per person per night.

The MDPR will not apply to countries granted exemptions by the RGOB which currently includes nationals of Bangladesh, India and Maldives. However, for this category of leisure tourist a SDF will be applied. The SDF will be determined by the RGOB based on the need to manage the pressures on our society, culture and environment.

- h. **'Nu.'** is symbol for the Ngultrum, which is the currency of the Kingdom of Bhutan.
- i. **"Regional Tourist"** means tourist of Bangladeshi, Indian or Maldivian national.
- j. **"Sustainable Development Fees (SDF)"** refers to the government levy on all leisure tourists per person per night and applicable throughout the year as a contribution towards sustainable development initiatives undertaken by the Government. And to compensate for the negative environmental impacts associated to tourism.
- k. **"Tashel Online System"** means the existing online system used for the purpose of processing visa and permit for tourist.
- l. **"Tourist"** means a traveler taking a trip to a destination outside their usual environment, for less than a year, for leisure or holiday in the country or place visited. For the purpose of these guidelines, the tourist shall mean the regional tourist.
- m. **"Tourist Vehicle"** means any vehicle, Bhutanese or foreign registered, carrying a regional tourist or an international tourist, including two wheelers.

CHAPTER 1
PRELIMINARY

Title

1. These guidelines shall be called the Guidelines for Management of Regional Tourist 2020.

Commencement

2. The Guidelines shall come into effect retrospectively from 1st July 2020.

Application

3. The Guidelines shall apply only to Regional Tourist visiting Bhutan beyond the first interior checkpoint of the border towns of Phuntsholing, Samdrup Jongkhar and Gelephu.

Objective

4. The objectives of the Guidelines are to:
 - a. Implement a uniform national tourism policy of High Value, Low Volume;
 - b. Improve safety of, and services delivery to regional tourist;
 - c. Enhance Bhutan's image as an exclusive tourist destination;
 - d. Reduce incidences of crime, cultural insensitivity, littering and motor vehicle accidents;
 - e. Enhance experience for the regional tourist.

CHAPTER 2:
TOUR REQUIREMENT AND ARRANGEMENT

Procedure

5. Regional tourist visiting Bhutan shall pre-arrange and pay a tour package in advance in order to process for an e-permit by the ground handler.
6. An e-permit for a tourist can only be applied by a ground handler. After agreeing to the minimum set of services and upon payment of the same in advance.
7. A permit for a foreign tourist vehicle shall be applied by a ground handler, upon sharing of relevant document and proof, informing that the foreign tourist vehicle meets all the requirement as per the guideline.

Ground handlers

8. The ground handler who can apply for an e-permit for regional tourist and permit for a foreign tourist vehicle on behalf of a tourist shall be the licensed Bhutanese tour operator;
9. The ground handler applying for an e-permit for a tourist is responsible for ensuring that the tourist has met the minimum tour package requirements as per the guideline.

Tour package (minimum) arrangements

10. A tour package for the regional tourist shall be agreed, pre-arranged and paid in advance.
11. Any tour package shall include the detail of at least the following arrangements:
 - a. Itinerary, clearly detailing the places to be visited and the excursions to be done;
 - b. Accommodation;
 - c. Ground transport, either using a foreign tourist vehicle or a Bhutanese tourist vehicle;
 - d. Bhutanese tour guide, at least one guide per tourist vehicle;
 - e. SDF payments to the Government of Bhutan,
 - f. Tour payment, excluding the SDF payment;
 - g. Policy of the ground handler, and any other service providers including bookings and cancellations.
12. It is highly recommended that any tour package also include meal plan or additional services and its cost if any.

Sustainable Development Fee (SDF)

13. A regional tourist shall be charged Nu.1200 (Ngultrum One Thousand Two Hundred) per night halt as SDF.

Ground transport

14. A tourist traveling to Bhutan shall have the following options regarding ground transport:
 - a. Use of a Bhutanese tourist vehicle for the whole duration of the tour, upon pre-payment of an agreed charge per day per vehicle to the ground handler of choice; or
 - b. Use of the combination of a foreign tourist vehicle and a Bhutanese tourist vehicle as follows:
 - a) Use of foreign tourist vehicle:
 - i. From, the border entry to the first accommodation,

- ii. from an accommodation in one Dzongkhag to the next accommodation in another Dzongkhag,
 - iii. from the last accommodation to the border exit; and
 - iv. Upon payment of the applicable fee of Nu. 4000 (Nu.2000 for entry and Nu. 2000 for exit).
 - b) Use of Bhutanese tourist vehicle:
 - i. for all ground transport from one accommodation in a Dzongkhag to another accommodation in the same Dzongkhag;
 - ii. for any sightseeing done outside of the direct movement from hotel to hotel; or
 - iii. upon pre-payment of an agreed charge per day per vehicle to the ground handler of choice.
 - c. Use of a foreign tourist vehicle for the whole duration of the tour upon payment of applicable fee of Nu. 4500 per day per vehicle and after fulfilling all other requirement.
- 15. The collection of entry-exit fee for the foreign tourist vehicle shall be carried out at the port of entry upon verification and inspection of vehicle as well as a required documents. However, the fees will be applicable only to foreign vehicles traveling beyond first interior border checkpoint.
- 16. A driver operating a foreign tourist vehicle must produce during verification the relevant documents issued by the competent authority of their respective country, which are mainly following:
 - a. original driver's license;
 - b. registration certificate;
 - c. vehicle insurance;
 - d. vehicular emission and road worthiness certificate; and
 - e. any other document as per the prevailing rules during verification.
- 17. A driver operating a foreign tourist vehicle shall adhere to all relevant rules and regulations, including the carrying capacity and road worthiness of the vehicle as adopted by the Road Safety and Transport Authority.

18. The foreign tourist vehicle shall not be more than ten years from the date of registration;
19. A tourist vehicle, both Bhutanese and foreign, shall have a licensed Bhutanese tour guide per vehicle.

CHAPTER 3

E-PERMIT AND APPLICATION PROCEDURE

E-permit use

20. The e-permit shall serve as the legal document permitting a tourist to visit any cultural site or monument accessible to tourist, as well as a route permit within pre-approved Dzongkhags, except for those areas or site and monuments that fall in the restricted list provided by relevant authorities.
21. Each tourist shall carry their e-permit in hard copy or digital copy at all times.
22. A ground handler shall share a hard copy of the e-permit for all of the tourist with the licensed Bhutanese tour guide.
23. A licensed Bhutanese tour guide shall carry a hard copy of the e-permit and produce the same to the relevant officer for verification if required.

Procedure for tourist

24. Regional tourist shall make the agreed payment for the tour package to the ground handler.
25. Regional tourist shall share a required documents including the copy of valid passport (6 months validity) with the ground handler for processing of e-permit and produce the same original passport during the entry and exit.

Procedure for ground handler

26. Ground handler must ensure that all applications adhere to the Immigration Rules and Regulations and any required documents not received by ground handler must be communicated to the tourist.
27. Ground handler, upon receipt of a valid passport and tour payment, will process the e-permit for the tourist by submitting an online application along with travel itinerary through the online e-permit system and by depositing the SDF.
28. Ground handler, upon receipt of the e-permit, shall ensure that the e-permit is shared with the tourist in a timely manner.

Procedure for TCB

29. In case of any incomplete application, TCB shall notify the ground handler to resubmit the application.
30. TCB, upon receipt of a complete application, may endorse or refuse the application within one week after date of application.
31. TCB, depending on the carrying capacity and other relevant situations in-country, can decide on the total number of e-permits to be endorsed for any given time.
32. TCB, after receiving approval from the Department of Immigration, shall issue the e-permit to the ground handler.

Procedure for Department of Immigration

33. Department of Immigration may approve or deny any application endorsed by TCB based on the Immigration laws in force.

CHAPTER 4

OBLIGATION

Service providers

34. All tourism service providers including ground handler, guides, accommodation and transport services provider, catering to the tourist shall guarantee the agreed services and abide by the Tourism Rules and Regulations 2017 or any other relevant laws while providing the services.
35. All payments to the accommodation and other service providers shall be directly disbursed by the Tourism Council of Bhutan upon submission of total invoice amount by service provider and upon verification by tour operators.

Tourist

36. All tourists visiting Bhutan must adhere to the laws of the Kingdom of Bhutan while in the country and shall responsibly seek the assistance of the ground handler for all relevant information on tourism and travel in Bhutan.

CHAPTER 5

PENALTY AND AMENDMENTS

Infringements and penalty

37. Any tourism service provider including ground handlers, tour guides, accommodation and transport services providers, failing to comply with these guidelines or the codes of conduct provided in existing regulation shall be liable for penalty as per the 'Tourism Rules and Regulation 2017'.
38. Any tourist failing to adhere to the relevant laws in force may be dealt as per the provision of those laws.
39. Any tourist or foreign tourist vehicle driver carrying out sightseeing by using the foreign tourist vehicle with only a vehicle permit for entry-exit or movement till identified

accommodation, shall be liable to pay Nu. 4500 per day as a charge for doing sightseeing and Nu. 1750 per incident as a fine.

Amendment

40. The TCB may propose the revision and amend the provision of the 'Guideline for the Management of Regional Tourist 2020'in consultation with relevant stakeholders, when deemed necessary.