



ANNUAL REPORT

FY 2018-19



OFFICE OF CONSUMER PROTECTION
MINISTRY OF ECONOMIC AFFAIRS
ROYAL GOVERNMENT OF BHUTAN
THIMPHU



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OFFICE OF CONSUMER PROTECTION MINISTRY OF ECONOMIC AFFAIRS

“AN INFORMED CONSUMER IS AN EMPOWERED CONSUMER”

CONSUMER SHOULD:

1. Keep themselves informed
2. Exercise due care while making purchase decisions in the marketplace, be it online or offline.
3. Consider the detrimental consequences that may arise from purchases.
4. Compare price, quality, standard and features with competing products or services
5. Understand that advertising and marketing materials may not necessarily give the full picture and further inquiries may be necessary.



6. Seek clarification when the price indicated is outside the normal pattern.
7. Ask for a receipt, statement or transaction record for every transaction.
8. Seek redress and compensation against unfair trade practices.
8. Act in good faith.

TOLL FREE NO. 1214





OFFICE OF CONSUMER PROTECTION
MINISTRY OF ECONOMIC AFFAIRS

“AN INFORMED CONSUMER IS AN EMPOWERED CONSUMER”

CONSUMER SHOULD NOT:



FAKE NEWS!

1. Make impulsive decisions based on false claims or exaggerated representations.
2. Panic and make bulk purchases based on false information.
3. Encourage unfair trade practices.
4. Purchase expired goods.
5. Purchase substandard goods that may be damaging to life and property.
6. Give false information to other consumers and regulatory agencies.

TOLL FREE NO. 1214



Foreword from the Lyonpo



“A customer is the most important visitor on our premises, they are not dependent on us, we are dependent on them. They are not an interruption in our work. They are the purpose of it. They are not outsiders in our business. They are part of it; we are not doing them a favour by serving them. They are doing us a favour by giving us an opportunity to do so” Mahatma Gandhi. With this, let me welcome all to the first annual report FY 2018-19 published by the Office of Consumer Protection (OCP), Ministry of Economic Affairs (MoEA) to promote and raise awareness on

consumer rights and issues demanding that the basic rights and economic interest of the consumer are to be respected and protected. Every one of us is a consumer and as a consumer we must understand that the law allows us the right to demand for safe goods & services, fair treatment and protection of economic interest.

The annual report encapsulates various aspects of consumer protection including the major activities that the office has undertaken over the past years. It also highlights some of the key milestones achieved over the period by the office. It is hoped that the report, through publication of various articles, will have a far-reaching impact in disseminating the necessary information related to consumer protection and promotion of fair trading.

Consumers form the largest groups in the economy that are generally ignorant and disorganized. As a result, the risk of consumer exploitation remains enormous and susceptible. Today, the economy of the world is witnessing a steady growth whereby consumerism is also equally sturdy. As such, people remain vulnerable to market abuses and exploitations by unscrupulous traders, manufacturers, and service providers who indulge in unfair trade practices for quick profits. Further, the digital economy and the global electronic commerce boom are creating unprecedented opportunities for businesses from all sectors, of all sizes, and from all countries, marking a major change in the way many consumers interact with products and services.

Therefore, it is important to ensure that promotion of consumer protection and policy culture in all aspects of economic activities is fundamental in developing a culture of free & fair trade and healthy competition. I have a good hope that through publication of such reports annually it will help bring in greater awareness and confidence to the consumers thereby ensuring protection of economic interest and health safety of the consumers for all time to come.

I congratulate OCP, MoEA for coming up with its first annual report and wish everyone a happy reading.


Loknath Sharma

Message from the Director



The Office of Consumer Protection, MoEA is pleased to produce the annual report for the FY 2018-19. This first annual report introduces the Office presenting its vision, mission and core mandates and office organogram. Included briefly in this report are also the governance structure and the establishment of different forums for consumer protection. It is important to report that the alternate dispute resolution mechanisms to seek quick and inexpensive redress continue to be extended. Consumer protection mechanisms are established at central,

Dzongkhag, Thromde and Gewog levels so that the general public can avail consumer protection services in a faster, better and cheaper way. Further, consumer empowerment and enforcement mechanisms are put in place for ensuring visible change in the economic lives of vulnerable consumers.

Most importantly, this report brings to you the various key achievements of the Office ranging from framing of National Strategic Framework for Consumer Protection to the setting up of institutional linkages with relevant partner agencies and investigation of consumer complaints. Owing to the importance of handling consumer complaints prudently, an executive summary of the complaints received and handled by the Office is presented as a separate topic on its own. In addition, the report also includes other activities carried out by the Office towards educating consumers on their rights and responsibilities, research carried out on improving consumer protection and inspection of markets towards promoting fair trade.

I am pleased to report that OCP, MoEA achieved 99.6% of its deliverables agreed in the APA for FY 2018-19. This would not have been possible without strategic guidance and directions of Hon'ble Tengye Lyonpo, Hon'ble Secretary, Consumer Board, and the hard work and dedication of officials. Personally, I hope that this annual report while serving its basic purpose of providing information on the key achievements of the Office in the past year would also act as an important tool in advocating about our Office to the general consumers and business entities.



Sonam Tenzin

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1. Background

The Office of Consumer Protection was established in 2014 as per Chapter 12, Section 88 of the Consumer Protection Act, 2012 wherein it is stipulated that “An Office of Consumer Protection shall be established under the Ministry of Economic Affairs”.

The office came into existence officially in February 2014 to promote free, fair, safe and competitive market, enhance effectiveness and efficiency in delivery of consumer protection services, strengthen institutional capacity, protect economic interest of consumers through advocacy, education and awareness, and foster consumer confidence through a consistent, predictable and effective consumer protection framework in consonance with the development imperatives of Bhutanese economy.

In the exercise of the power vested by the Consumer Protection Act of Bhutan 2012, firstly, the Office of Consumer Protection has enacted Consumer Protection Rules and Regulations 2015 to bring greater clarity in the provisions of the Act and help promote legal rights and remedies of the consumers in the consumption of the goods and services. Secondly, Consumer Grievance Redressal Guidelines 2017 was framed to provide adequate procedures and mechanisms to redress consumer grievances. Thirdly, Package Pilgrimage Regulation 2017 was adopted to provide timely consumer information, define responsibility of the pilgrimage operators and guarantee protection of pilgrims. Further, guidelines, standards, framework and checklists have been formulated to ensure effective public service delivery.

2. Vision, Mission & Objectives

The Vision, Mission and Objectives of OCP are as follows:

VISION

A well informed and protected consumer supported by a fair trading system and virtuous education program.

MISSION

To promote, protect and advance the social and economic welfare of consumers by providing leadership, advocacy and efficient redress system thereby creating a fair and accessible consumer marketplace.

OBJECTIVES

- Enhance the free, fair, safe and competitive market for consumers and business.
- Enhance effectiveness and efficiency in delivery of consumer protection services.
- Enhance institutional capacity.
- Protection of economic interest of consumers through advocacy, education and awareness.
- Foster consumer confidence through a consistent, predictable and effective consumer protection framework in consonance with the development imperatives of Bhutanese economy.
- Promote Sustainable Consumption and Production.
- Promote consumer confidence in Bhutanese products through creation of trusted and reliable products.

3. Organogram



4. Staff Strength

Sl. No.	Division/Section	Staff Strength	
		Head	Staff
1	Administration and Support Section	Director	4 (including 1 GSP)
2	Planning and Research Division	Officiating Chief Planning Officer	1
3	Program and Communication Division	Chief Program Officer	2
4	Consumer Grievance and Redressal Division	Chief Trade Officer	5
Total		4	12

5. Mandates

The Chapter 13, Section 89 of the Consumer Protection Act, 2012 mandates the OCP to:

- a) Enforce the provision of the Act;
- b) Appoint consumer advocate;
- c) Receive complaint from the consumer and initiate enquiry;
- d) Investigate any trade practice detrimental to consumer and refer findings to the Board;
- e) Disseminate information and educate consumers on provision of the Act;
- f) Advise and educate consumers about goods and services including on the following matters:
 - i. The legal rights and remedies of consumer;
 - ii. Health risk;
 - iii. Product hazard;
 - iv. Weight and measures, prices, quality, credit condition;
 - v. Product labelling;
 - vi. Safety, durability, performance, repair ability, truthfulness, availability;
 - vii. Consumer choice and a competitive market;
- g) Carry out research on consumer issues;
- h) Be the Secretariat to the Consumer Board
- i) Promote and develop policies pertaining to sustainable consumption of goods and services;

- j) Encourage sustainable consumption by disseminating information on environmental impact of consumer choice and impact of products on environment;
- k) Make all information available to the public pertaining to the complaint filed and action taken;
- l) Perform any other functions as directed by the Consumer Board.

At present, the Office is headed by the director and supported by three divisions to carry out the above-mentioned mandates. The divisions along with its functions are briefly explained as below:

5.1. Planning and Research Division

The division is mandated to carry out market survey and analysis on consumer related issues to formulate appropriate policies and plans related to protecting economic interest and promoting safety of the consumers. To provide consumer choices in the market by providing information on product availability and comparative prices; it surveys, collects and publishes the market price information of some of the essential commodities on a quarterly basis. It is also mandated to review and study contract terms of business entities such as telecommunications, banking, financial service providers, automobile workshops, utility companies, etc. to promote fair contract terms in the market.

5.2. Program and Communication Division

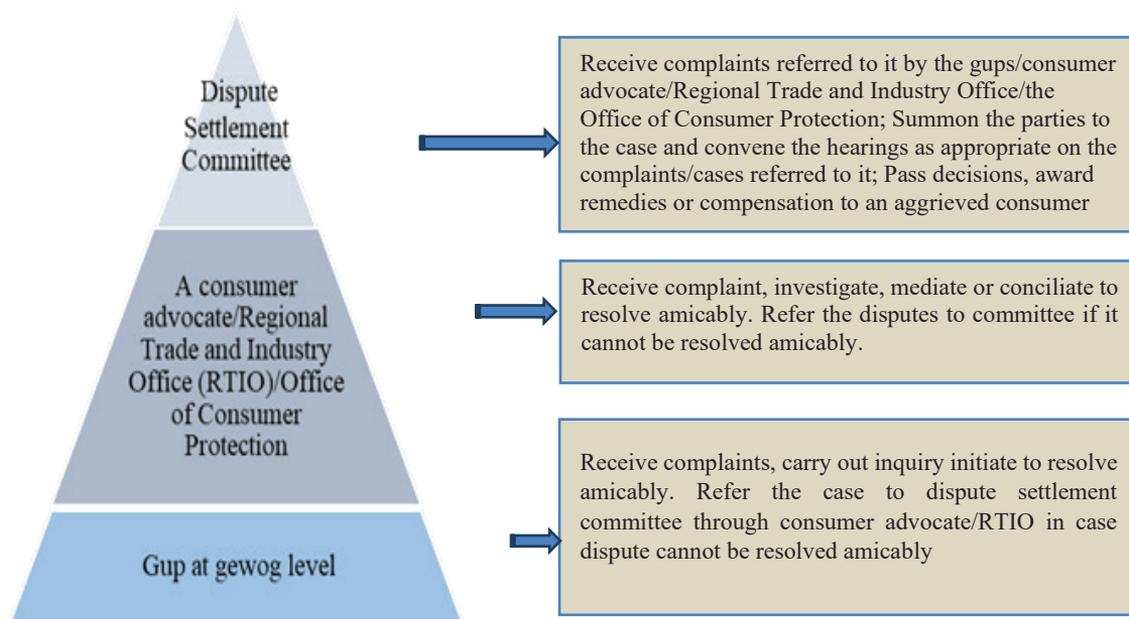
The division is entrusted to protect consumer rights and interest and empower consumers through advocacy, education, awareness programs, and other program activities. It engages in identifying different vulnerable groups in the markets, develops program activities, and focuses on protecting and empowering these groups of consumers. It also targets various groups of business entities in the market, even at village level, to sensitise them on their legal obligations towards consumers, their mandate to comply with regulatory requirements and legal responsibilities to promote fair trade practices in the market.

5.3. Consumer Grievance and Redressal Division

The division is mandated to monitor the trade practices in the market to ensure compliance of the business entities to regulatory requirements and unfair trade practices are not proliferated in the market. It manages the consumer complaints, conducts investigations, mediations and assists the dispute settlement committee to redress and provide appropriate remedies to aggrieved consumers. It aims to promote and advance the social and economic welfare of consumers by providing a consistent, accessible and effective system of consensual resolution of disputes arising from buying and selling of goods and services.

6. Dispute Settlement Mechanism

In order to provide accessible, consistent, harmonized and effective redress mechanisms for consumer protection, the dispute settlement mechanisms have been established as shown in the diagram below.



An individual consumer aggrieved by the unscrupulous business entities may seek eligible remedies and compensation through the OCP, MoEA and its designated offices. The following consumer grievance redress mechanisms are put in place to ensure consumer grievances are redressed and appropriate remedies and compensation are provided to the aggrieved consumer.

6.1. Dispute settlement by the Gup at Gewog level

The consumer grievances in the gewog/villages are handled by the respective gup to provide quicker redresses and remedies to aggrieved consumers and the gups are entrusted with the following responsibilities:

- Receive complaint, carry out inquiry and initiate to resolve amicably.
- Refer the dispute to the dispute settlement committee through consumer advocate/Regional Trade and Industry Office in case dispute cannot be resolved amicably.

6.2. Dispute settlement by a Consumer Advocate/Regional Trade and Industry Office/Office of Consumer Protection

At regional, thromde and dzongkhag level the consumer grievance redressal, complaints and disputes are handled by designated consumer advocate/Regional Trade and Industry Office/Office of Consumer Protection and they are entrusted with the following responsibilities:

- Receive complaint, investigate, mediate or conciliate to resolve amicably.
- Refer the disputes to the committee if it cannot be resolved amicably.

6.3. Dispute settlement by the Consumer Dispute Settlement Committee

In the event the consumer grievances, disputes and complaints filed to the office are unable to resolve amicably through mediation or conciliation by the gups/consumer advocates/Regional Trade and Industry Office/Office of Consumer Protection, these cases are referred to Consumer Dispute Settlement Committee established by the Office of Consumer Protection in various regions, thromdes and dzongkhags. The following are the committee members:

- A representative from the Royal Government; and/or
- A representative from a Civil Society Organization; and/or
- Eminent persons, experts or senior citizens.

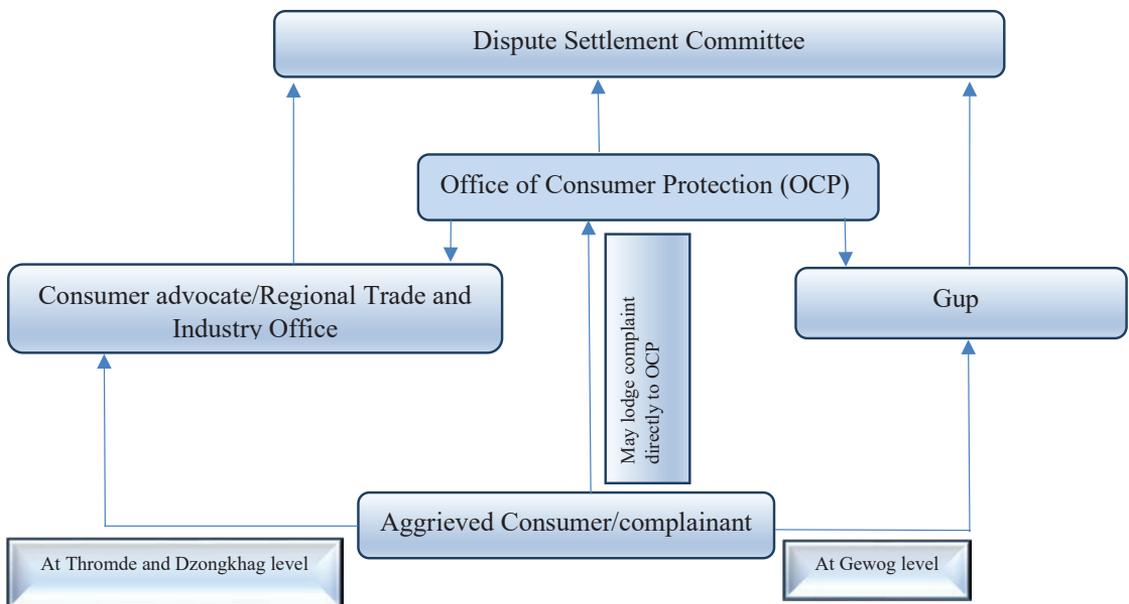
The committee is entrusted with the following functions:

- Receive complaints referred to it by the gups/consumer advocate/Regional Trade and Industry Office/the Office of Consumer Protection;
- Summon the parties to the case and convene the hearings as appropriate on the complaints/cases referred to it;
- Request any individual to give expert opinion on the subject matter in dispute;
- Request the concerned gup/consumer advocate/Regional Trade and Industry Office/Office of Consumer Protection to conduct further inquiry or investigate on the disputes; and
- Pass decisions, award remedies or compensation to an aggrieved consumer in accordance to the provisions of the Act and Rules and Regulations.

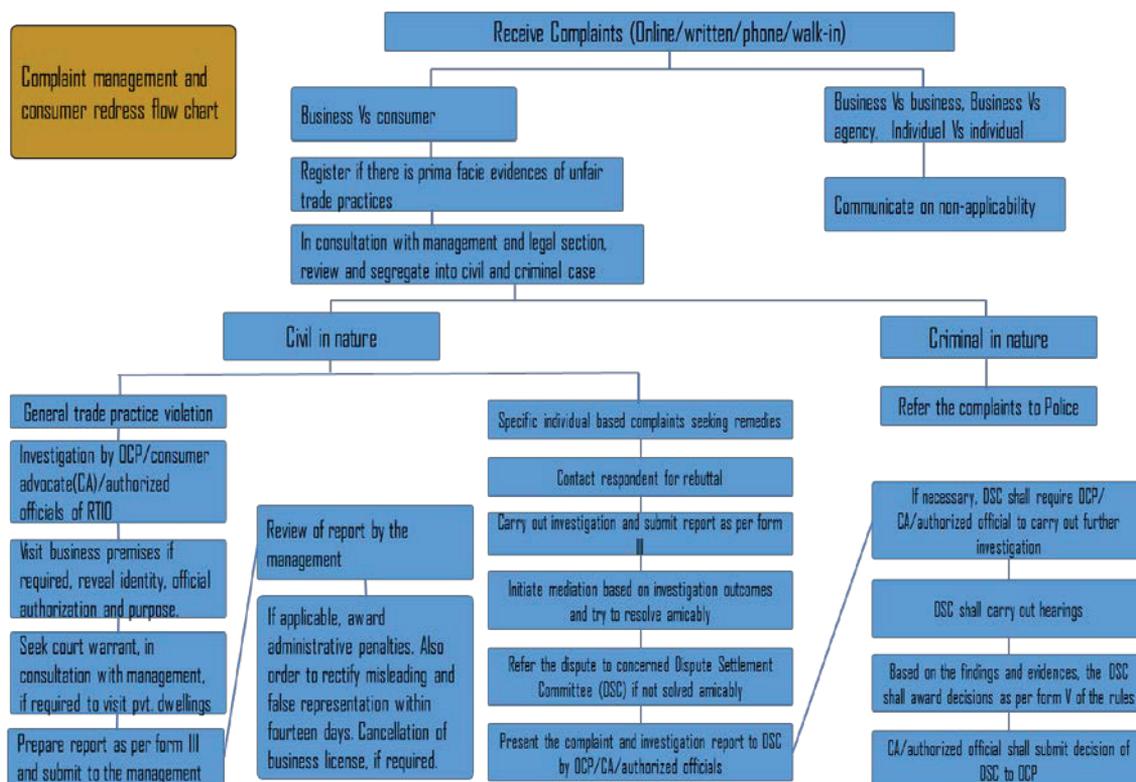
In the event the parties are not satisfied with the decisions of the committee, the concerned parties may refer the case to the competent court.

7. Lodging of consumer complaints

The aggrieved consumers seeking remedies or compensation may lodge complaints to the Gup at gewog level, Consumer Advocate/Regional Trade and Industry Office at regional, thromde and dzongkhag level or lodge directly to the OCP. The complaint may be lodged through written complaints, telephone, email or other online facilities available in official website. The complaint received directly by the Office of Consumer Protection may be forwarded to the concerned Gup or Regional Trade and Industry Office as the case may be or initiate mediation to resolve amicably. The diagrammatic representation of complaint lodging is given below:



8. Complaint Management and Consumer Redress Flow Chart



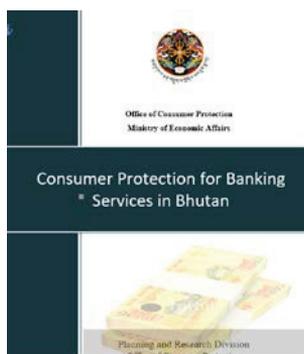
9. Key Achievements

This section reports on key achievement of consumer protection activities using the government performance framework and success indicators reflected in both APA and annual budget during FY 2018-19. The key highlights of the major activities carried out during the year are briefly outlined as below.

9.1.Consumer Protection for Banking Services in Bhutan

As a part of the annual plan agreed in APA in FY 2018-19, the study was carried out to assess the protection of consumers in banking services in Bhutan and assess the perception of consumers on banking services. The study aimed to provide reliable and accurate information that would enable OCP, MoEA and other relevant stakeholders in developing evidence-based policies, plans and programs with respect to consumer protection in the banking sector in Bhutan.

The study adopted both qualitative and quantitative approaches.

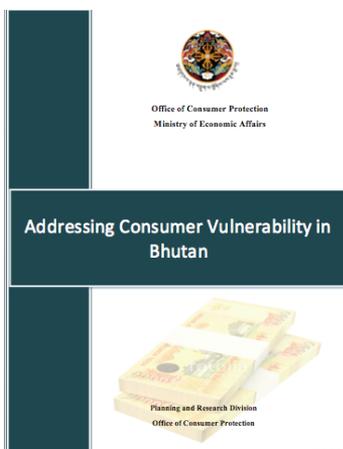


A structured questionnaire was administered to the consumers of five banks located in Thimphu to comprehend consumer's perception on banking services. From the sample population of all the bank account holders of five different banks in Bhutan, the questionnaire was randomly administered to consumers having an account in any of the banks in Bhutan. 50 respondents each from 5 banks were surveyed making a total of 250 respondents for the study.

The study was conducted considering 5 main parameters namely legal and supervisory framework; disclosure and transparency; fair treatment and business conduct; data protection and privacy; and dispute resolution mechanism.

The study identified four major findings pertaining to quicker finalization and implementation of draft Consumer Protection for Financial Services Rules and Regulation, establishment of formal grievance redressal cell in all the banks, review contract terms and conditions by concerned authority and agencies to ensure the fairness of the contract, and strengthen advocacy on financial services by relevant regulatory agencies and banks to make consumers smart.

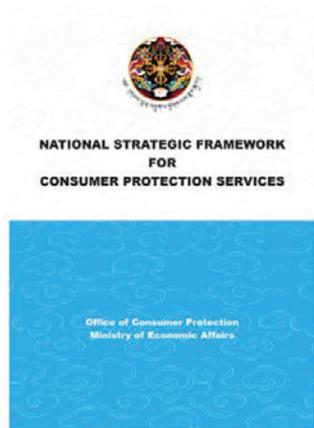
9.2. Addressing Consumer Vulnerability in Bhutan



The issues and challenges of consumer vulnerability in the nation are widening the income gap, risk of unfair treatment in the market, impairing of resource allocation decision of the house, impact on disposable income and investment, impairing consumer's choices, compromising economic interest and safety of consumers, wrong purchase decisions and impact on economic interest of the consumers.

In view of addressing consumer vulnerability in Bhutan, the OCP, MoEA has developed a concept paper on addressing consumer vulnerability in Bhutan. The main objectives of the paper are to: assess vulnerable consumers and their vulnerabilities; empower vulnerable consumers; and enhance the capacity of consumers and agencies involved in consumer protection. The study identified four major interventions as future course of action namely, carry out assessment of vulnerable consumers and their vulnerabilities in Bhutan, develop vulnerable consumer strategy to empower vulnerable consumers, educational program, and capacity building.

9.3. National Strategic Framework for Consumer Protection



The function of consumer protection is very vast and falls within the purview of different relevant agencies. There are gaps and overlaps in policy, legislative and functions concerning consumer protection in the country. In view of bridging these gaps and addressing consumer issues more effectively, the Office of Consumer Protection, MoEA in collaboration with relevant agencies has developed a National Strategic Framework for Consumer Protection (NSFCP).

The framework is expected to enhance effective and efficient consumer protection systems, empower consumers; establish an effective system of collaboration and coordination with all relevant stakeholders, and promote ethical and fair conduct by business in dealing with consumers. Generally, the framework establishes inter-agency mechanisms for collaboration and cooperation among relevant agencies in addressing consumer issues. The framework is expected to improve public services delivery and rationalize overlapping mandates of agencies that provide consumer protection services in the country.

9.4. Institutional Linkages

Based on the National Strategic Framework for Consumer Protection institutional linkage arrangements have been made with various agencies within the country and abroad to learn best practices and leverage on resources like skills and finance. Some of the Memorandum of Understandings signed are described briefly as below.

9.4.1. Memorandum of Understanding between the Royal Monetary Authority and the Office of Consumer Protection



A Memorandum of Understanding was signed between the Royal Monetary Authority and the Office of Consumer Protection, Ministry of Economic Affairs on 18th June, 2019 in the presence of the Officiating Hon'ble Secretary, and the Director, Directorate Services, Ministry of Economic Affairs.

The main objective of the MoU is to promote consumer protection affairs in the financial services considering the need to promote fair trade, ethical business practices and redress aggrieved consumers in the financial marketplace.

The areas of cooperation and collaboration under the MoU includes:

- Coordinating and collaborating to promote consumer protection affairs and ensure consumers are treated fairly and equitably without any discrimination while rendering financial services to consumers;
- In consultation, formulating rules and regulations on financial consumer protection to address consumer issues and provide mechanism to redress consumer grievances in the financial service;
- Mutually identify areas of cooperation in financial consumer protection from time to time and collaborate to provide consumer protection services;
- Providing expert views & opinions and technical backstopping to each other in relation to financial consumer protection and for addressing and redressing consumer issues; and
- Providing or exchanging information required for financial consumer protection on requests.

9.4.2. Memorandum of Understanding between the Office of the Consumer Protection Board, Thailand and the Office of Consumer Protection

A Memorandum of Understanding was signed between the Office of the Consumer Protection Board (OCPB), Thailand and the Office of Consumer Protection, MoEA, Royal Government of Bhutan on October 2, 2017. The main objective of the MoU is to make an effort to develop cooperation between OCPB, Thailand and OCP, MoEA and to support each other through sharing professional expertise, training, exchange programs and sharing of work information and knowledge.

The areas of cooperation and collaboration under the MoU includes:

- Provide support on training, exchange program and development of consumer protection system;
- Endeavor to facilitate funds for projects and networking in the region and other in the field of consumer protection;
- Invite resource persons for institutional workshop/seminars;
- Help OCP in developing consumer protection system between Thailand and Bhutan;
- Help OCP in developing an information sharing system on goods and services imported from Thailand; and

- Enable OCP to adopt good practices pertaining to consumer protection.

9.5. Capacity Building on Consumer Protection



The workshop for the members of the Dispute Settlement Committee, Consumer Advocates in the six Regional Trade and Industry Offices and relevant stakeholders was conducted on 1st and 2nd May, 2019 at Bumthang. Mr. Qaqaya Hassan, an international expert on

competition and consumer policy was invited as a resource person for the workshop. The workshop covered the aspects on Market Competition and Consumer Protection, E-Commerce and Digital Economy, Consumer Protection in cross border transaction, the effects of anti-competitive business practices on developing countries and their development prospects, Market surveillance, and Competition Policy and Consumer Protection. The participants were also educated on mediation, stages of mediation, settlement agreement and negotiable and non-negotiable cases by the resource persons from Bhutan National Legal Institute.

9.6. World Consumer Rights Day

The Office of Consumer Protection, MoEA celebrated World Consumer Rights Day on **15th March, 2019** to raise awareness on protection and promotion of consumer rights and duties as enshrined in the Consumer Protection Act of Bhutan, 2012. The day was graced by the Honorable Tengye Lyonpo as the Chief Guest, Honorable Secretary, Head of the Department and other stakeholders.



World Consumer Rights Day was celebrated as an important platform to promote and raise awareness on consumer rights and issues demanding that the basic rights and economic interest of the consumer are to be respected and protected.



The theme for the World Consumer Rights Day 2019 was "**Trusted Smart Products**". Taking cognizance of smart products increasingly entering into the market and becoming a day-to-day reality for the people due to its greater usage and issues associated with usage of these products like privacy infringement, lack of security and transparency, etc. as it involves online data sharing through the internet, the World Consumers Rights Day in 2019 was marked to highlight the importance of keeping consumers' safety and interest at the core while development of these digital products and services take place.

Through this event, the consumers were sensitised to be aware of the quality and safety of goods they consume, recognize that their rights and responsibilities go hand-in-hand, assess the quality of goods and services provided and exercise their choice appropriately to ensure that they get a fair deal.

As a part of the program, Honorable Tengye Lyonpo and the team carried out a **road show** along the Norzin Lam. Honorable Tengye Lyonpo interacted with the business people and distributed pamphlets and brochures on consumer protection. Meanwhile, the Honorable Tengyi Lyonpo also conveyed to the business people the importance of protecting consumers' interest by way of conducting fair trading.



9.7. Advocacy Program on Consumer Protection

In line with the Consumer Protection Act, 2012, the Office of Consumer Protection under the powers and functions vested as per Chapter XIII, Section 89 (a), (e), (f) and Section 90 (b), has successfully conducted the Consumer Protection Awareness Program to the following groups:

Sl. No.	Target Group	Number of Participants
1	Local Government, Trashy Yangtse	15
2	Institute of Zorig Chusum, Trashy Yangtse	155
3	Business Community, Trashy Yangtse	64
4	Chokyi Gyatso Institute - Khyentse Foundation Dewathang, S/Jongkhar	127
5	Business Communities, Dewathang, S/Jongkhar	40
6	Jigme Namgyel Engineering College, S/Jongkhar	141
7	Gedu College of Business Studies, Gedu	193
8	Automobile Workshop owners, Thimphu	84
9	Family members of Royal Bhutan Police, Thimphu	77
10	Owners of electronic shops, Thimphu	27
11	Residents of Changjiji colony, Thimphu	302
12	Disabled Persons' Association of Bhutan, Thimphu	22
13	Vendors of Centenary Farmers' Market, Thimphu	446
14	Royal Institute of Tourism and Hospitality, Thimphu	56
Total		1749

The objectives of the program are to:

- a) Disseminate information and educate the consumers on the provisions of the Consumer Protection Act, 2012 and Rules and Regulations, 2015;
- b) Create awareness on consumer rights and responsibilities and obligations of business entities;
- c) Sensitise on unfair and unethical trade practices happening in the markets;
- d) Mandate business entities to engage in fair and ethical trade practices;
- e) Create awareness on regulatory requirements of the business entities to affix price, issue money receipts, use of calibrated weights and measures, display appropriate product labelling, comply with safety standards, etc.
- f) Sensitise on consumer dispute settlement mechanism and procedures to seek redressal by aggrieved consumers;
- g) Disseminate information on Package Pilgrimage Regulation 2017 and Consumer Grievance Redressal Guidelines 2017;

- h) Determine compliance to consumer protection regulatory requirements by the business entities; and
- i) Empower consumers in the market.

The awareness program covered various topics as below:

- a) Extent and Coverage of the Consumer Protection Act, 2012;
- b) Rights and Responsibilities of Consumers;
- c) Duties of Manufacturers, Suppliers and Service Providers;
- d) Unfair Trade Practice;
- e) Safety, Weights and Measures;
- f) Dispute Settlement Mechanism;
- g) Complaint Lodging;
- h) Procedures for Consumer Grievances Redressal;
- i) Package Pilgrimage Regulation 2017;
- j) Consumer protection in international perspectives.

Images of Advocacy Program on Consumer Protection



The member of local government,
T/Yangtse



Institute of Zorig Chusum,
T/Yangtse



Jigme Namgyel Engineering
College, S/Jongkhar



Royal Institute of Tourism and
Hospitality, Thimphu



Gedu College of Business
Studies, Gedu



Chokyi Gyatso Institute-
Dewathang, S/Jongkhar



**Residents of Changjiji colony,
Thimphu**



**Family members of Royal
Bhutan Police, Thimphu**



**Business Communities,
Dewathang, S/Jongkhar**



**Vendors of Centenary Farmers'
Market, Thimphu**



**Automobile Workshop owners,
Thimphu**



Business Community, T/Yangtse

9.8. Pyramid Schemes

The investigation on pyramid schemes operation in the market was carried out by OCP, MoEA based on the information received from various sources that few business entities in collaboration with promoters are engaging in unfair and unethical trade practices in Bhutan. It was reported that MagneSSa and Orien's businesses are rigorously promoting pyramid schemes under the aegis of MagneSSa Bhutan and Oriens Bhutan respectively and that there is involvement of many Bhutanese people from different walks of life as their members.

The investigation was carried out to determine the legitimacy of the mode of business operation adopted by such business entities. The investigation established that these businesses were operating a pyramid scheme business which is prohibited as per the Consumer Protection Act of Bhutan 2012 and Consumer Protection Rules & Regulations 2015. As per Rule 38 (xiii) of CPRR 2015 *“Establishing, operating or promoting a pyramid promotional scheme where a consumer receives compensation that is derived primarily from the introduction of other consumers into the scheme rather than from the sale or consumption of products”* is considered as an unfair trade practice.

It was also found that these business entities have been engaging in misleading representation of goods and services, misleading advertisement, trade practices that lack professional diligence, and material distortion of economic behaviours of the consumers which are in violation to CPA 2012 and CPRR 2015.

This scheme extorts members, exploits personal relationships, unfairly targets vulnerable groups of consumers and compels the members to endlessly recruit downline members to earn promised rewards and commissions. As such, it threatens social harmony and cohesiveness in the country and may lead to social and community disharmony. As a result, there is a development of an unhealthy society based on deception and misleading practices.

The scheme is bound to collapse at one point of time as it is dependent on the recruitment of members and the prospective members in any given community or geographical location is going to get exhausted. It is the recent entrants and bottom rung members of the pyramid, apparently being the most numerous, who are going to be affected the most by the scheme.

Since these businesses are also involved in the sale of health and other dietary supplements, there are health safety issues of general consumers as people are made to believe and depend on their products, through members' coercion, in substitute of

allopathic and traditional medicines. The members function and claim as distributors without license, violating licensing regulations, and lack competent skills to deal and recommend health and food supplements. The informal distribution channel such as 'person-to-person' delivery without proper storage facilities leads to product damage jeopardizing the consumer's health safety which is in breach of the Medicine Act of Bhutan 2003.

These business entities have misused the retail trade license issued for retail business activities by operating wholesale businesses and unfair trade practices. The business is being operated on a pretext of approval from competent authorities violating the Bhutan Retail Trade Regulation 2006.

Therefore, in view of the above, the business entities, specifically MageSSa Bhutan and Orient's Bhutan, have been directed to discontinue their pyramid scheme business operations with immediate effect and the general public have been notified to refrain from engaging in promotion of pyramid scheme and other unfair trade practices. All relevant and competent authorities have been called upon to take appropriate actions in line with the findings of the investigation report and solicited further collaborative support in stopping unfair trade practices in the market. Further, RTIOs have been specifically requested to accord due diligence to ensure that pyramid promotional schemes and other such unethical trade practices are not practiced in their respective jurisdiction.

9.9. Establishment of Dispute Settlement Committees

The Office of Consumer Protection (OCP), MoEA is mandated to receive complaints from consumers and initiate enquiry. To facilitate quicker and more efficient redressal and mediation of consumer grievances, OCP in consultation with Local Government have established a Dispute Settlement Committee (DSC) first in 2015 in accordance with section 93 of CPA 2012. The DSC is the highest body in their jurisdiction in rendering decisions regarding individual complaints. The decisions rendered by the DSC are final and binding unless the aggrieved party escalates to the court within 10 days after the decisions of the DSC.

In FY 2018-19, DSCs were established in Bumthang and Tsirang Dzongkhags. At present, there are a total of 12 DSCs in seven Dzongkhags, all four major Thromdes, and in one Yenlag Thromde in Nganglam under Pemagatshel Dzongkhag. DSCs are established in Paro, Mongar, Samtse, Trashigang, Bumthang, Tsirang, and Trongsa Dzongkhags. Establishment of DSC is prioritized based on the economic and trade activities and concentration of population. OCP plans to establish DSCs in all the remaining Dzongkhags and other important Yenlag Thromdes to provide accessible and

inexpensive redress to consumers. In addition, all DSC members were familiarized with the provisions of the CPA 2012 and CPRR 2015.

9.10. Consumer Grievance Mediation and Redressal

By 2019, the Office received a total of 39 consumer complaints and mostly from the consumers in Thimphu. Out of 39 complaints, 36 grievances were mediated on behalf of consumers by providing appropriate remedies and compensations and only a few cases were referred to the DSC in Thimphu. During the period, the major complaints lodged were against the service providers pertaining to services not being of expected quality, delay in service delivery or not delivery service as promised, penalties charged for cancellation of business contract, overcharging and the refusal to provide remedy or refund to aggrieved consumers. There were also complaints lodged against defective goods which were mostly related to shortcomings in certain parameters of goods such as quality, quantity, purity, potency and standards.

The key highlights of some major cases referred to DSC are as below:

- a) A complaint was lodged against **Bhutan Telecom Ltd.** in relation to roaming facility used in Kolkatta, India, during two-day visit, where the complainant was charged with Nu. 170,624.90 for the BTL roaming services. Since both the parties had failed in performing their responsibilities and exercised due diligence, the DSC had resolved the dispute by making both the parties to pay 50 percent of the total roaming charges which amounts to Nu. 85,312.45 each.
- b) A complaint was lodged against one of the **Automobile Companies** for charging additional payment of Nu. 70,000 in addition to full payment of Nu. 1,393,764 paid for purchasing a Nissan Terrano vehicle. The complainant had placed an order for a vehicle after having paid the full amount of Nu. 1,393,764 and had a condition that the vehicle shall be delivered within three months. It was claimed that the vehicle was supplied only after the stipulated time and that too with a different model due to which it was not accepted. The vehicle was finally delivered with an additional amount of Nu. 70,000 which was charged on the ground of increase in Indian Excise Duty. On investigation, it was found out that there was no evidence of an increase of Excise Duty in India during that period and no terms and conditions were drawn between the parties in relation to additional payment on account of price changes. This being the fact and full payment had already been paid up front, as evidenced from the money receipt, without any conditions drawn to revise the price on force majeure, the DSC had directed the concerned business entity to deliver the vehicle without any additional charges to the complainant. The case was resolved without having to pay any additional changes by the complainant.

- c) There was a general complaint on mBoB indemnity clauses of the Bank of Bhutan (BoB) which were considered to be unfair contract terms. The mBoB indemnity contract terms of BoB stated that *“You agree to indemnify and hold BoB harmless against any direct or indirect loss arising due to technical failure, having wrongly transferred/recharged to unintended beneficiary. The transaction(s) will be executed solely at your own risk and responsibility. By accessing or using any features of mBoB application, you agree to this indemnity”*. With such indemnity clauses, the consumers can only avail mBoB services upon accepting these contract terms. Such contract terms and practice construe as unfair contract and unfair banking practice, which is in contravention to CPA 2012 and CPRR 2015 wherein require businesses to execute fair terms of contract and provide consumers the right to fair, non-discriminatory and equitable treatment by the businesses. The BoB management was requested to rectify mBoB indemnity clauses and also requested to review other contract terms and ensure that there is no unfair treatment to the consumers.

By the end of fiscal year 2019, the office mediated about 36 consumer grievances and some of the key individual consumer complaints or cases successfully mediated are as follows:

- a) A complainant lodged a complaint against the concrete manufacturing firm claiming that the concrete hollow blocks supplied by the firm were of substandard quality. On verification, it was observed that more than 40% of the blocks had damaged during unloading from the truck. The aggrieved consumer sought for intervention to ascertain the quality of concrete hollow block and compensate accordingly. However, the Manufacturing firm claimed that concrete hollow blocks are not substandard as they were manufactured following the standard procedures.

The office collected the samples of concrete hollow blocks from the construction site of the complainant and the manufacturing firm for laboratory testing. The laboratory test revealed that the concrete hollow blocks in questions meet the required compressive strength and are of acceptable quality. Following this test report, both the parties were informed about the report and explained that the damaged could be as a result of inappropriate unloading. This being the fact, there was no requirement for manufacturer to compensate the complainant and the dispute was resolved accordingly. However, the manufacturer, on goodwill basis, committed to provide 100 bricks free of cost to the complainant for the loss incurred.

- b) A complaint pertaining to motor bike which was purchased from one of the bike dealers in the country was mediated. It was complained that the motor bike had to be kept off road within a year of purchase due to mechanical glitches. The complainant

claimed manufacturing defects as the cause of the mechanical failure. The aggrieved consumer sought for replacement of engines or complete refund of payment by the dealer. On the other hand, the bike dealer was not forthcoming to repair the motor bike claiming that it was not manufacturing defects. Upon mediation by the OCP, the dealer agreed to replace the engine of the motor bike and provide required services free of cost. The motor bike was handed over to the aggrieved consumer in proper condition with the intervention of OCP, MoEA.

- c) The aggrieved building owner lodged a complaint against the contractor for not abiding of contract terms and agreement while executing the work. It was reported that the parties had executed a contract whereby the contractor agreed to supply and install window frame made out of aluminium with thickness of 1.5 mm. The building owner claimed that the contractor had supplied and installed the window frame with thickness of 1.2 mm which is not in keeping with the contract agreement. The complainant sought the compensation from the contractor for wrong supply, deceptive practice and work delay. The OCP investigated and mediated the complaint. Based on the mediation, the parties agreed to the following:
- The contractor to replace the window frames of the building in accordance to the size agreed in the contract;
 - The contractor to bear the labor cost incurred for replacement, and
 - The house owner agreed to drop financial compensation claim from the contractor for causing delay in completion of the building construction.
- d) A consumer lodged complaint against a taxi driver which was hired to exchange gas cylinder at the LPG retail outlet. It was claimed that the taxi driver charged consumer Nu. 100 extra due to the shortage of LPG cylinder in the market. When the consumer asked to justify as to why extra amount was charged, the taxi driver without explaining any further reasons denied the service. The consumer returned home with empty cylinder. The mediation was facilitated between the two parties over the phone and the taxi driver agreed to deliver a re-filled cylinder at residence of the aggrieved consumer at free of transportation charges.
- e) A complaint was lodged by a consumer against the furniture shop mentioning that even after making full payment and repetitive follow-ups, a furniture shop failed to deliver additional sofa set to the consumer. The aggrieved consumer had ordered a 7-seater sofa set with a central table. During the time of delivery, it was found that sofa set was incomplete and the central table had partial damage. The aggrieved consumer sought for replacement of damaged table and supply complete sets or refund the full amount otherwise. The office mediated and the supplier agreed to:

- Deliver additional sofa to the aggrieved consumer, and
- Replace the damaged table with the new one.

f) An aggrieved consumer lodge a complaint against the supplier for supplying sub-standard items such as bumpa (vase), butter lamp, and ting (offering bowl) which were purchased at Nu. 96,000. The complainant claimed that these items are discolouring and misled them to believe as pure silver. As such, the complainant claimed the refund of the amount paid to the seller. On enquiry, the supplier claimed that the items were made out of pure silver. The office investigated and found out that these items were not pure silver and given the silver coating only. A mediation was facilitated between the parties and the supplier agreed to refund full amount to the aggrieved consumers within stipulated time period.

10. Article on Consumer Protection

Consumer protection in the wake of growing consumerism in the market

‘The things you own end up owning you, it’s only after you lose everything that you are free to do anything.’ This famous quote by Chuck Palahniuk, speaks by itself, on the menace of growing consumerism in any society. Bhutan is no exception. Of late, people living in the cities of Bhutan have become consumerism. This has led to increase the greed of producers and businessmen to increase the profit through consumers’ exploitation. Driven by the greed and unlimited wants, the consumers belief that ultimate wellbeing and happiness depends on the amount of purchase and consumption of material goods. As such, the growing consumerism bring negative impacts to the consumers and the society.

People become the victim of consumerism for numerous reasons. Many of our consumers are illiterate and ignorant and vulnerable to fall victim to deceptive advertisement and other unethical trade practices. The advancement of technology and social media in the 21st Century have led the consumers to fall prey to misleading advertisement of goods and services and as such, they often get cheated. There is also an increasing supply of cheap and duplicate products in various markets. The consumer who are well informed protect themselves and their families. It is the illiterate consumers that are required to be protected from negative impact of the unethical trade practices. Thus, a system is required to protect consumers from exploitation by the businesses.

There is a common belief that any country that consumes more goods and services will be better off economically. From the economic point of view, this is true because when people spend more on goods and services, the economy grows in terms of increased

production and employment which leads to more consumption. Although the living standard of people improves through spending, we should be mindful of the resources constraint and negative impacts of the consumerism. As the responsible consumers, we should not simply get influenced by the advertisement and buy products and waste out resources by consuming those that are not required.

Today is the age of competition and our Bhutanese economy is no exception. In this fiercely competitive world lured by the greed to maximise profit, the business owners resort to unethical business practices without any regard to the health or safety of the consumers. Unethical businesses supply unsafe product and provide bad services and consumers are forced to deal with substandard goods and services. In view of this, consumers must be made to understand their rights and legal remedies. The adequate information on frauds, defective products and unethical trade practices to the consumers and protect our innocent consumers from exploitation by the business entities who are organised and powerful.

Consumer protection in our society is important because every consumer has the right to safety and protection while purchasing the products and the services in the marketplace. Everybody has the inherent right to demand their money's worth when they purchase something without having to worry about exploitation by the businesses. At the end of the day, a poor farmer buying the toothpaste in the villages, a carpenter buying tools, a student buying books, the family buying cable TV services, or a rich man buying cars; it is the quality of the goods and services and value for money that matter as the consumers.

To sum up, as the consumerism is growing, our sellers and businessmen must strive to fulfil all of the consumer demands without compromising the quality of products and services and exploiting them. To promote the welfare of the consumer the necessary steps have to be taken by the government and necessary educations should be given to the consumers, their families and the societies to protect themselves from unethical trade practices.

A consumer is a king and deserves to be treated so. As such, in the wake of growing consumerism in the market a protection of the consumer from unfair trade practices should be given importance.

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11. Issues, Challenges and the Way Forward

Globally, the contemporary era is considered as an era of consumers and it can be clearly evident from the spectrum of global consumer movements on consumer protection. It is also a case in Bhutan as consumerism is ever growing with globalization and trade liberalization, advent of digital economy, increasing internet of things, multiplying needs of consumers due to industrial and technological developments, etc.

The trade and economic activities in the country are increasing every year and industrial & technological growth has brought innovation and inundated the markets with wide varieties of products. The consumer choices for goods and services in the market have increased and brought socio-economic changes in the lives of the consumers and changed the outlook of living. However, there is simultaneous growth in the gamut of unfair trade practices such as food adulteration, spurious drugs and products, deficient services, poor quality-high price, deceptive advertisements, and hazardous products posing high risk to safety and economic interest of the consumers. This has also increased the consumer protection activities in the country and it has become a growing activity every year.

To provide consumer protection, the office has developed various legal measures, policies, strategies, action plans and engaged in various consumer protection activities. However, in view of growing economic activities, increasing unfair trade practices and growing vulnerable consumers it has become imperative to strengthen the consumer protection activities and build a strong foundation that will give impetus and bring about necessary measures to tackle consumer issues in a more sophisticated manner.

The consumer protection concept and issue is quite new in the country and consumers are still unaware of their rights and responsibilities. Although they have legal rights, they remain ignorant of their rights & reliefs available to them. The principle of caveat emptor or 'let the buyer beware' still remains predominant in the market with limited market information and the consumer faces imbalances in economic terms and bargaining power vis-à-vis sellers. There is a growing requirement to intensify consumer education and empowerment and the office has adopted various means to empower consumers but consumer ignorance remains a challenge.



Faulty weights and measures



No price tag for the repackaged products

There is still a prevalence of conventional trade practices in the market such as use of faulty weights and measures in the market, products and services without their price tags, no or improper product labelling, non-issuance of money receipts, spurious products, etc. Prevalence of such conventional trade practices in the market provide rooms for breeding unfair trade practices aggrieving consumers. These trading cultures and practices in the market have to be rectified and provide effective consumer protection services. In order to do so, every business establishment in the market has to be sensitised, inspected and monitored constantly.

Further, there is a growth in the supply of spurious, adulterated and substandard goods and services in the market which is posing high risk to safety and economic interest of the consumers. The office is, therefore, required to keep abreast of such developments in the Bhutanese markets, international markets and monitor every goods and services manufactured or imported and sold in the country.

In addition, our economy is getting integrated into the global world of technology where commercial transactions have started to take off electronically. Electronic commerce and Fin-Tech has expanded rapidly over the past years and is predicted to accelerate. Electronic commerce and Fin-Tech has also led to the development of electronic marketplaces where suppliers and consumers are brought together to conduct mutually beneficial trade. With the advent of e-commerce and digital economy, the vulnerability of the consumers is increasing and protection of these vulnerable groups of consumers is also growing. In this regard, the road to creating a fair online trading platform is required for a proper mechanism to be established. Hence, formulation of guidelines based on e-commerce policy to protect consumers from unfair e-commerce and constantly monitor e-commerce activities is increasingly becoming crucial. Further, it is important to carry

out research and surveys to understand the impact of any economic transition on the consumers and devising appropriate interventions thereof.

The OCP is required to constantly keep abreast of latest development in international, regional and local markets and competently equipped to deal with any situational evolution and emergence of ad-hoc unfair trade practices in the market. For example, the recent emergence of pyramid schemes affecting general consumers. To deal with such kind of emerging unfair trade practices are ad-hoc activities requiring time, adequate manpower, technical competencies and resources.

Also, consumer contracts are usually presented on a take-it-or-leave-it basis where a consumer is left with no bargaining opportunity and protection against businesses. The weaknesses in the existing Contract Terms and Agreement of the Service Provider and any unfair contract terms in the markets need to be determined, reviewed and monitored on priority basis as the number of the service providers and businesses are increasing.

As enshrined in the Act, OCP is mandated to develop a policy on Sustainable Consumption of Goods and Services. Formulation of this policy is required to meet the needs of present and future generation for consumption of goods and services that are economically, socially and environmentally sustainable. The development of such policy would entail enormous work process and an in-depth research and OCP is targeting to achieve this in 12FYP.

The MoEA in collaboration with UNCTAD's Competition and Consumer Policy Branch has prepared National Competition Policy (NCP) which was approved by the government recently. This policy aims to promote healthy competition and curb anti-competitive practices such as business cartels, monopolies, etc. Such anti-competitive practices normally result in higher prices, create artificial scarcity of goods or services, and limit quality thereby limiting choices for consumers. In this regard, OCP is the lead agency to educate, develop action plans, implement CIA and monitor the anti-competitive practices in the market.

At present, different organizations are implementing consumer protection mandates differently in complete isolation and only some are being coordinated to a limited extent by the OCP, MoEA through implementation of the Act. As an apex body dealing with consumer affairs, OCP has developed National Strategic Framework for Consumer Protection (NSFCP) to provide clear delineation of functions, area of understanding, cooperation and collaboration pertaining to providing efficient consumer protection services in Bhutan for all times to come. The framework has been initiated also with a

purpose to bring all the laws, policies and mandates of consumer protection under one framework to strengthen formulation of consistent, well-researched and analysed consumer policies. Based on this framework, OCP will now have to draw policy, guidelines, strategies and action plans to provide harmonised and collaborated consumer protection services.

With the emergence of Fin-Tech and new service providers, the consumers are exposed to greater risk of fraudulent practice, exploitation and compromised decision making. Therefore, it is important for OCP to come out with proper norms and standard and redressal mechanisms for the service sectors to empower and protect the consumers. For these, substantial review and researches on these sectors will have to be carried out to ensure protection of the consumer interests. For example, the need to review charges during dropped calls and network disruptions in the telecom sector and interest calculations of the banks, etc. are necessary.

One of the main mandates of OCP is to promote fair trade practices in the market and in order to do so the office strictly monitor and enforce manufacturing and other business sectors to strictly comply with regulatory requirements such as appropriate product labelling with genuine expiry date, display of genuine product contents on the finished products, use of appropriate weights and measures, use prevailing standards, display of price tag, issuance of money receipt, etc. These activities directly contribute to creating trusted and reliable Bhutanese products in the market and gaining consumer confidence on Bhutanese products. This led to promoting import substitution and export of Bhutanese products in international markets which is in line with government policy to promote import substitution and export of Bhutanese products. In addition, it is also mandated to foster competition in the market for effective resource allocation and maximize consumer welfare. These activities will have considerable impact on economic growth and development of the country.

In light of above, the office is endowed with daunting tasks to protect consumers and besides, bestowed with mandates of taking services right down to the gewog level. This has placed considerable pressure on the OCP to increase its efficiency. In contradiction, there is no subsequent growth in the human and financial resources of OCP to embrace the growing consumer issues in an effective and efficient manner and to deal with situational evolution.

Annexure

APA Achievement

Objective	Weight	Weight Action	Success Indicator	Weight	Actual Achievement	Final Score
Enhance fair, free, safe and competitive market for consumers and business.	32	Survey and publish MPI	Frequency of Quarterly MPI report publication	5	MPI for four quarters printed and uploaded in Ministry's website	5
		Conduct study on compliance of standards and safety measures of POL products	Report produced on compliance of standards and safety measures of POL products	4	Report produced and presented to the Consumer Board and submitted to Hon'ble Secretary.	4
		Conduct Market Monitoring	Number of market inspection conducted in Yenlag Throms	4	Market monitoring conducted in 12 Yenlag Thromdes and reports produced.	4
		Standard-ization of i) packaging and labeling ii) weights and measures iii) price tag in Thimphu throm	Number of Thromde in which review of economic interest of consumer is conducted.	3	Evaluation and monitoring completed and report produced	3
		Drafting of TOR for establishment of DSC	TOR for establishment of DSC drafted	4	TOR finalised and presented in 10th Consumer Board Meeting and additionally, legal vetting was carried out in collaboration with the Legal Officers of Ministry and OAG.	4
		Provide user training on online MPI system to RTIOs and Business Entity	User Training provided	3	User training on MPI systems conducted to business entities and Officials of all RTIO. In addition, 9 Economic Development Officers were also trained.	3

Objective	Weight	Weight Action	Success Indicator	Weight	Actual Achievement	Final Score
Enhance fair, free, safe and competitive market for consumers and business.	32	Provide user training on online Grievance Redressal System	Provide Online Grievance Redressal User training	4	User training on Grievance Redressal was conducted to business entities, Dispute Settlement Committees, Economic Development Officer, and Officials of all RTIO.	4
		Establish Dispute Settlement Committee	Number of Dispute Settlement Committee established	5	Two Dispute Settlement Committees established (Bumthang and Tsirang Dzongkhag)	5
Enhance effectiveness and efficiency in delivery of consumer protection services	12	Introduce consumer empowerment and financial literacy program	Consumer empowerment and Financial Literacy program incorporated in NFLS	4	Consumer empowerment and Financial Literacy program incorporated in National Financial Literacy Strategy Action Plan 2020-2023	4
		Redress Consumer Grievance	Consumer Grievances redressed	4	All consumers' grievances mediated within turnaround time as prescribed under consumer protection rules and regulations.	3.6
		Conduct research on consumer related issues	Protection of consumers from service providers ensured	4	Research on 'Consumer Protection in Banking Services' conducted and report presented to the Board during the 11th Consumer Board Meeting. Additionally, national market research on the Pyramid Promotional Scheme was carried out and report produced.	4

Objective	Weight	Weight Action	Success Indicator	Weight	Actual Achievement	Final Score
Enhance fair, free, safe and competitive market for consumers and business.	22	Create public awareness on consumer rights and interest for vulnerable consumers		5	Multimedia on Consumer Rights and Responsibility developed and aired in the BBS and Bus stations. In addition, audio visuals were also projected on the digital board of all city buses in Thimphu Throm.	5
		Initiate incorporation of consumer protection in school curriculum	Draft proposals for incorporation of consumer protection in school curriculum	4	Final proposal submitted to REC. In addition, OCP received an invitation from REC to attend the workshop on social studies curriculum for class IV.	4
		Develop SOP and TAT for staff requirement of OCP	Critical HR policies with SOPs and TAT put in place.	4	SOP and TAT for staff requirements of OCP developed and submitted to the Ministry's Human Resource Committee and RCSC. Accordingly, the post of Chief for the Program and Communication Division was approved.	4
		Establish institutional linkages	Number of linkages established with stakeholders.	4	MoU signed with RMA of Bhutan	4
		Institutional arrangement for DSC members, consumer advocates, local government leaders on alternate Dispute resolution, Ethical Business	Number of DSC members, RTIO officials, LG leaders trained	5	Capacity Building Workshop on Consumer Protection was conducted in Bumthang which was attended by DSC members of 12 Dzongkhags, Regional Directors and Consumer Advocates,	5

Objective	Weight	Weight Action	Success Indicator	Weight	Actual Achievement	Final Score
Enhance fair, free, safe and competitive market for consumers and business.	22	practices (online and offline)		5	OCP officials, Trade Inspectors. In addition, local government leaders of 8 Gewogs of Tashi Yangtse Dzonkhag was also trained. In total, 74 participants were trained on consumer protection aspect, alternate Dispute resolution, and Ethical Business practices.	5
Protection of economic interest of consumers through advocacy, education and awareness.	26	Issuance of receipts by shopkeepers and business establishments for contribution to revenue (BIT and BIT)	Issuance of receipts by shopkeepers and business establishments for contribution to revenue (PIT and BIT)	4	Public notification on the requirement to issue receipts by shopkeepers and business establishments was circulated via various media channels on 11 October 2018.	4
		Monitor Package Pilgrimage Regulation 2017 compliance by the Tour Operators	Timeline by which the monitoring is carried out.	4	Compliance monitoring by the Tour Operators on Monitor Package Pilgrimage Regulation 2017 was conducted within December 2018 led by Director. In addition, a Trade Officer was also deputed for this purpose.	4
		Public Awareness on institutional and legal framework to protect consumer rights and interests for vulnerable consumers	Number of awareness workshops/seminars on consumer rights and responsibilities conducted	5	8 public awareness to vulnerable consumers groups such as Royal Bhutan Police Family Members, Residents of Changjiji Housing Colony, Centenary Farmers' Market, Members of Disabled Association of Bhutan, Automobile Workshops, Mobile Shop Owners, Business Community of Tashi Yangtse and Dewathang were carried out.	5

Objective	Weight	Weight Action	Success Indicator	Weight	Actual Achievement	Final Score
		Create public awareness on consumer rights and interest in the educational centers	Number of awareness conducted in educational centers	5	5 public awareness on rights and responsibilities of consumers was conducted in educational centers such as Zorig Chusum, Tashi Yangtse, Choki Gyatsho Institute, Jigme Namgyal Engineering College, Gedu College of Business Studies, and Royal Institute for Tourism and Hospitality. In addition, the students of Thimphu Schools were invited to attend world consumer rights day where they were advocated on consumer protection affairs.	5
		Celebration of world consumer rights day	world consumer rights day celebrated	4	'World Consumer Rights Day' theme trusted smart product was celebrated on 28th March 2019 at DYS conference Hall led by Hon'ble Tengye Lyonpo. The day was also celebrated in 5 Regional Trade and Industry Offices through the support of OCP.	4
		Prepare concept paper on economic and financial vulnerability of consumers	Concept paper produced	4	The proposal for 'Addressing Consumer Vulnerabilities' is drafted and finalised.	4

Objective	Weight	Weight Action	Success Indicator	Weight	Actual Achievement	Final Score
Foster consumer confidence through a consistent, predictable and effective consumer protection framework in consonance with the development imperatives of Bhutanese economy.	8	Introduce awareness forum (Public Hearing) for consumer protection services	Awareness forum introduced and advocacy program conducted	4	Introduced Public Hearing and awareness program conducted to the business representatives and BOD Managers on 15th January 2019 and 23rd January 2019 respectively.	4
		Draft action plan for National Strategic Framework for Consumer Protection Services.	Action plan for National Strategic Framework for Consumer Protection Services drafted	4	Action Plan for National Strategic Framework for Consumer Protection drafted and presented to the 11th Consumer Board Meeting.	4
				100		99.6

Acronym

APA- Annual Performance Agreement

BoB- Bank of Bhutan

BOD- Bhutan Oil Distributor

BTL- Bhutan Telecom Ltd

CA- Consumer Advocate

CIA- Competition Impact Assessment

CPA 2012- Consumer Protection Act 2012

CPRR 2015- Consumer Protection Rules & Regulations 2015

DSC- Dispute Settlement Committee

MoEA- Ministry of Economic Affairs

MoU- Memorandum of Understanding

MPI- Market Price Information

NCP- National Competition Policy

NFLS - National Financial Literacy Strategy

NSFCP- National Strategic Framework for Consumer Protection

OAG- Office of Attorney General

OCP- Office of Consumer Protection

OCPB- Office of the Consumer Protection Board

PPRR 2017- Package Pilgrimage Rules & Regulations 2017

RCSC- Royal Civil Service Commission

REC- Royal Education Council

RMA- Royal Monetary Authority

UNCTAD- United Nation's Conference on Trade and Development

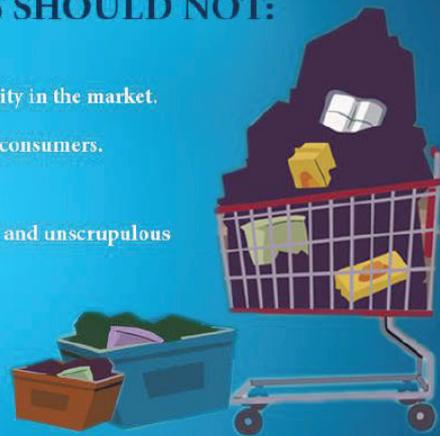


OFFICE OF CONSUMER PROTECTION MINISTRY OF ECONOMIC AFFAIRS

Consumer Protection means safeguarding economic interest, rights and safety of the consumer to avoid economic harm and health hazards while consuming goods and services. Therefore, to stimulate consumer trust and confidence in Business entities, the

BUSINESS ENTITIES SHOULD NOT:

1. Hoard goods and create artificial scarcity in the market.
2. Deny sale of goods and services to the consumers.
3. Unfairly close shops.
4. Indulge in other unfair trade practices and unscrupulous exploitation of consumers.



5. Sell unsafe products and provide deficient services.
6. Indulge in misleading representations and false advertisements of goods and services.
7. Charge unreasonably high prices on goods and services.
8. Indulge in price rigging & manipulation and market collusion.

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