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ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHHODZONG
THIMPHU

MoF/DPBP/Circular/2025-26/540

November 26, 2025

Circular

Optimization of Government Expenditure

In line with the Royal Government's commitment to strengthen fiscal discipline and promote the prudent use of public resources, the Ministry of Finance (MoF) has undertaken a comprehensive review of existing expenditure practices. To ensure efficient utilization of limited financial resources, eliminate non-essential spending, and maintain consistency across all budgetary agencies, the following cost optimization measures are being issued.

These measures are intended to reinforce accountability, encourage responsible financial management, and uphold the principles of transparency and prudence in public expenditure.

1. **One time joining dhar ceremony expenses:** The expenditure ceilings for the one-time joining Dhar ceremony, as specified in MoF Notification No. MoF/DPBP/Rules-1/2023-24/564 dated March 5, 2024, and in the Guidelines on Allotment of ICT Equipment, Vehicles, and Joining Ceremony Expenses for HPM, Cabinet Ministers, and Equivalent Position Holders issued on January 1, 2024, serve as guiding thresholds for responsible spending. These ceilings are not separate budget allocations for individual position holders. They define the maximum permissible amount that may be utilized from the agency's approved controllable budget, ensuring fiscal discipline while enabling dignified ceremonial arrangements.

Over time, these ceilings have been misconstrued as mandatory spending requirements, leading to inconsistent expenditures across agencies. To promote a uniform understanding and ensure the prudent use of limited public resources, the MoF hereby issues the following clarification and instructions:

- a. One time joining dhar ceremony expenses shall be strictly limited to **Zhudray Phuentsum** and **suja desi** organized in respective offices only for new appointments and transfers regardless of the sources of funding.
- b. This shall apply to position level EX 3A and above in the Civil Service, Heads and Commissioners of Constitutional Bodies, Drangpons of Supreme/High/Dzongkhag Court, Registrar General of Supreme/High Court, Members of Parliament,

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Thridzins of Dzongkhag Tshogdu & Gewog Tshogde, Thrompon, Vice Chancellor of RUB, President of KGUMSB, Dean of JSWSL, Heads of EMCs, HPM, Cabinet Ministers and Equivalent Position Holders.

However, joining ceremony expenses shall not be applicable for promotions within the same department, such as from *Director to Director General*.

- c. The MoF reiterates that such expenses must be met exclusively from the agency's approved controllable budget, and strictly limited to the provisions under section a) above.
 - d. This circular supersedes the MoF Notification issued vide reference no.MoF/DPBP/Rules-01/2023-24/564 dated March 5 2024 on Joining Expenses of Executives and the specific provision on expenses for Joining/Dakyen Ceremony for Hon'ble Prime Minister, Cabinet Ministers and Equivalent Position Holders in the *Guidelines on Allotment of ICT Equipment, Vehicles and Joining Ceremony Expenses for HPM, Cabinet Ministers and Equivalent Position Holders*.
2. **Consecration and Inaugural expenses:** While consecration/inaugural ceremonies hold cultural and spiritual significance, it is essential to observe fiscal prudence. Therefore, expenses related to such ceremonies, irrespective of the source of funding, shall be limited only to public infrastructure projects of national importance and significance. The inaugural ceremonies for designated residences and staff quarters shall not be allowed, in keeping with the principles of responsible public spending.
3. **Printing:** To reinforce sustainable practices and reduce paper wastage, all budgetary agencies are hereby directed to continue implementing the following measures:
- a. **Printing of reports and publications:** Discontinue printing of annual/quarterly/monthly reports and eliminate paper publications. All such reports & information shall be uploaded to agency' websites and distributed electronically to ensure wider accessibility and reduce environmental impact.



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- b. **Office printing:** Duplex printing (double-sided) shall be the default setting for all office printers. Agencies shall encourage the use of back pages of obsolete documents or scratch papers for printing non-sensitive, draft or internal communication. Similarly, color printing shall be restricted.
 - c. **Consolidation of printers:** The head of the agency shall ensure that the procurement of dedicated printers per employee shall be discontinued and promote the use of network printers or initiate consolidation of printers in the office.
4. **In-country travel:** In line with Section 2.4.3 of the existing Travel Rules, March 2024, issued vide reference no. MoF/DPBP/Rules-01/2023-24/528 dated February 16, 2024, carpooling for group travel (2 or more officials travelling for the same purpose) shall be implemented by heads of agencies for cost effectiveness.

Further, the payment of TA/DA for in-country trainings workshops, seminars, meetings, evaluations etc. within and outside Dzongkhag shall be strictly implemented as follows:

- i. Participants from duty stations outside the Dzongkhag/Thromde:
 - a. Shall be eligible for DA only if the program extends beyond one day and the return to the place of work requires more than a day.
 - b. Shall not be eligible for DA if the participant can return to their place of work within the same day.
- ii. Participants stationed within the same Dzongkhag/Thromde shall be eligible for DA in the following cases only if:
 - a. The training venue requires more than a day to return to the place of work; or
 - b. Mandated by the organizing agency to halt at the venue if the program duration exceeds one day, even if the venue is within a day's return time.
- iii. Participants shall be eligible for TA only, if the training venue is beyond 10 kms from the place of work and is within a day's time to return to place of work, provided that no official transport was arranged for pick-up and drop off during the workshop. The agency shall assess and determine the return feasibility to the workplace based on distance and accessibility.

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5. **Ex-country travel:** Foreign travel shall be restricted to unavoidable official engagements. As such, the HRC of the agency shall restrict study tours, participation in seminars, workshops, conferences funded by the RGoB except for formal mandatory meetings of bilateral/multilateral bodies. Where the international meetings are unavoidable, the agencies shall use the diplomats in the Embassies, Missions, Consulates abroad to represent the agencies & reduce the size of official delegations.

Furthermore, when economy-class air tickets are provided through donor assistance or sponsorships, officials entitled to business class travel shall not be allowed to upgrade through any funding sources. Officials are expected to exercise discretion and accept invitations that commensurate with respective position levels, ensuring appropriate representation while maintaining fiscal responsibility.

6. **Refreshments and Meals:** Official lunches, dinners, and refreshment shall not be provided for internal meetings, interviews, committee meetings except where explicitly approved by the Head of the Agency or arranged for foreign delegations. To avoid duplication of efforts and optimize resources, agency heads are advised to consult and coordinate with the MFAET and DMDF, MoF when hosting luncheons or dinners for the same group of foreign delegates. Further, if alcoholic beverages are deemed necessary, it must be limited to locally produced options, and the total value must not exceed that of the meals served. This is to ensure fairness, fiscal prudence, and consistency in official hospitality practices.

7. **In-country training, conference, workshops and seminars:** All in-country training programs, conferences, seminars and workshops must be organized with utmost austerity. Such activities shall be initiated only upon clear justification and approval by the head of the agency. To ensure prudent use of public resources, the following guidelines must be strictly observed:

- Minimize hiring of space for meetings and conferences unless absolutely necessary and use space in the government facilities. For example, agencies must restrict holding tender evaluation meetings outside office premises.
- Use video conferencing and online tools where available and appropriate for meetings and agency-hosted seminars, workshops and training.

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- c. The training venue shall be arranged in a place or location where maximum participants are stationed.
 - d. All short-term training programs must be coordinated and delivered through domestic training institutes. This approach promotes cost-effectiveness, supports local employment, and curbs foreign currency outflows. External training options may be considered only when a relevant program is not available within the country, and such cases must be clearly justified and properly documented.
8. **Awareness, Sensitization and Advocacy programs:** Expenses for awareness, sensitization, and advocacy programs must be optimized to ensure cost-effectiveness and avoid duplication of efforts. Agencies shall leverage ICT & digital platforms, and LG officials as alternative and efficient dissemination channels wherever feasible. This approach shall also apply uniformly to donor-funded projects and programs to promote consistency, resource efficiency and broader outreach.
9. **Extension Kits:** To curb excessive and repetitive spending, the procurement and distribution of non-essential extension kits such as tents, sleeping bags, boots, rucksacks, camping equipment, and related items, shall be strictly restricted, irrespective of the funding source. Head of agencies must ensure full compliance and shall not initiate any such procurement without prior approval of the MoF. This measure aims to ensure that only essential requirements are met and to promote the prudent and efficient use of public resources.
10. **Payment of prize money, cash support and free toolkits:** All budgetary bodies shall refrain from providing cash-based incentives (prize money and cash support) and free toolkits including cost-sharing handouts, regardless of the funding source, unless specific and prior approval is accorded by the MoF.
11. **Fuel & Maintenance of Vehicles:** Given the rising year-on-year expenses on fuel and vehicle maintenance (averaging 10 percent annually), Agency Heads must ensure strict economy in the use of both designated and pool vehicles, limiting usage exclusively for official purpose. To contain maintenance costs, surrendered vehicles shall not be available for redeployment.



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12. Procurement and replacement of Laptops: Officials shall not be issued multiple laptops/desktops irrespective of available funding sources (RGoB/Donor Funded). Replacement of the laptops must be approved by the Head of Agency, based on verification of equipment condition by the ICT officer and procurement/store officer, and must not result from mishandling.

In keeping with the sacred mandate entrusted to the Ministry of Finance as the custodian and manager of limited public resources by the Public Finance Act 2007, the undersigned urges all budgetary agencies to implement the above measures, in both principle and spirit, to ensure the effective use of public resources. Collective adherence will reinforce fiscal discipline, improve operational efficiency, and advance the Royal Government's overarching goal of sustainable and responsible public finance management.

This shall come into effect from December 1, 2025 and shall supersede the Notification issued vide MoF/DNB/Notification/2022-23/308 dated September 1, 2022.

(Lekey Dorji)

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For kind information

1. Dasho Zimpon, Office of the Gyalpoi Zimpon, Thimphu for kind information.

Copy to:


1. Hon'ble Prime Minister, Gyalyong Tshogkhong, Thimphu.
2. Hon'ble Chief Justice, Supreme Court, Thimphu for communication within the Judiciary.
3. Hon'ble Speaker, NA and Chairperson, NC, Thimphu.
4. Hon'ble Ministers, all Ministries, Thimphu.
5. Hon'ble Auditor General, Royal Audit Authority, Thimphu for kind information and necessary action.
6. Heads of the other Constitutional Bodies, Thimphu.
7. The Cabinet Secretary, Gyalyong Tshogkhong, Thimphu.
8. All other Government Secretaries, RGoB, Thimphu for kind cooperation and implementation.



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9. The Attorney General, OAG, Thimphu.
10. Heads of all Autonomous Agencies, Thimphu (Centre for Bhutan and GNH Studies, NLC, Dratshang Lhengtshog, NSB, BOC, RIM, JSWSL, BNLI, Gyalsung, The Pema Secretariat, NCHM and affiliated agencies under the Ministries)
11. All Commission Secretaries including SGs of NA and NC, and GovTech Agency.
12. Vice chancellor, RUB and president, KGUMSB for communication to all colleges.
13. Dasho Dzongdags, all 20 Dzongkhags, Thrompons, all 4 Thromdes, and Gups, all 205 Gewogs.
14. Director, DPBP, MoF for coordination and enforcement as notified here.
15. Director, DPP, MoF for enforcement related to public properties.
16. Heads of Finance Divisions of all budgetary bodies.
17. Chief Internal Auditor, CCAIA, MoF.


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