CONSUMER PROTECTION IN BHUTAN

Accurate pumps, lapsed certificates

A market surveillance exercise in three districts finds measuring equipment that is largely accurate, but thin record-keeping and little formal redress

ZHEMGANG, TRONGSA AND BUMTHANG

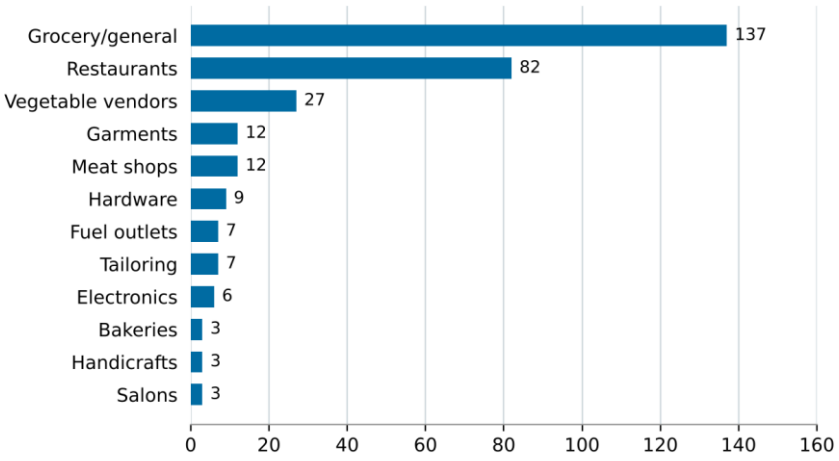
By **Yeshi Dema**, Inspector and **Pema**, Inspector

Between 7th and 26th October, inspectors from the Consumer Protection and Competition Enforcement Division (CPCED) of the Competition and Consumer Affairs Authority (CCAA) visited 308 business establishments in Zhemgang, Trongsa and Bumthang. The exercise forms part of the Authority's efforts to ensure that businesses meet the minimum requirements of consumer protection law, focusing mainly on four parameters: receipts, price display, product labelling and the use of calibrated weighing and measuring devices. It also examines other essential practices, such as refund, return, exchange and warranty policies. Overall compliance was judged satisfactory.

The three Dzongkhags are dominated by small retail and food businesses (chart 1 and table 1). Grocery and general shops accounted for 137 of the 308 establishments and restaurants for 82. Bumthang, with 140 establishments, accounted for the largest share. The inspectors attribute generally improved awareness of obligations partly to the Authority's consumer awareness and advocacy programme in 2025–26.

Inspections by business type

Establishments inspected, Zhemgang, Trongsa and Bumthang, 7th-26th October 2026 (n=308)



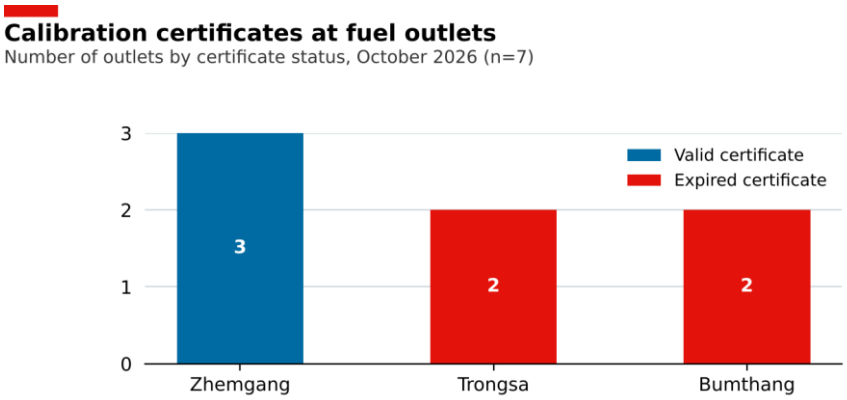
Source: Competition and Consumer Affairs Authority

Fuel retail outlets

Seven fuel retail outlets (FROs) were inspected and also assessed for calibration, GST compliance, refund and complaint-handling arrangements, and safety requirements. Most operated without significant problems, although one pump at Dangdung in Trongsa was idle at the time of inspection and another at Panbang in Zhemgang was out of service because of an electrical short circuit. Fuel prices were displayed correctly and no safety non-compliance was recorded.

The main finding concerned calibration. All outlets in Zhemgang held certificates valid for January to December 2026. Certificates for pumps in Trongsa and Bumthang had expired, with recorded validity dates between October 2025 and September 2026 (chart 2). Yet when the inspectors

dispensed fuel into a five-litre brass measuring can, every pump tested delivered within the permissible tolerance, including those with expired certificates. The lapse is therefore one of procedure rather than of measured accuracy. It still matters, because a calibration certificate is the evidence that accuracy has been verified, and a spot check is no substitute for it.



Source: Competition and Consumer Affairs Authority

Weighing and measuring devices

Among shops with scales, calibration compliance was weaker. In Trongsa and Bumthang, 16.43% of the weighing machines inspected had expired certificates, with validity dates between October 2025 and September 2026. In Zhemgang, 31.82% of the 88 establishments inspected (excluding salons, restaurants and handicraft shops) held valid calibration certificates, running to December 2026. Overall, 11.96% of establishments were advised to have their devices recalibrated and verified. Their names were passed to the Bhutan Standards Bureau (BSB), whose officials are due to begin field visits in the second week of November.

Receipts, prices and GST

All establishments inspected issued a purchase receipt on request. Record-keeping was weaker: outside the 34 GST-registered businesses, which kept detailed, filed receipts, most establishments did not retain carbon copies. All handicraft shops issued the receipts required for airport transactions and for cultural-approval purposes. Without retained copies, verification after the event is difficult.

Price display was largely compliant. Only 1.32% of establishments failed to display prices or applicable service charges: vegetable vendors, who did not label locally repackaged produce, and tailoring shops, which did not show service charges. Random comparisons of sales bills with displayed prices, at hardware, electronics and grocery shops and at vegetable stalls, found them consistent. No evidence of discriminatory treatment or unfair pricing was found.

GST compliance was less consistent. Some 8.82% of GST-registered businesses did not charge the 5% tax, citing the risk of losing customers to cheaper competitors. Inspectors also noted widespread uncertainty among shopkeepers about their obligations, and recommend that the Regional Revenue and Customs Office (RRCO) issue clear guidance.

Table 1: Where the inspectors went

Business establishments inspected, 7th-26th October 2026

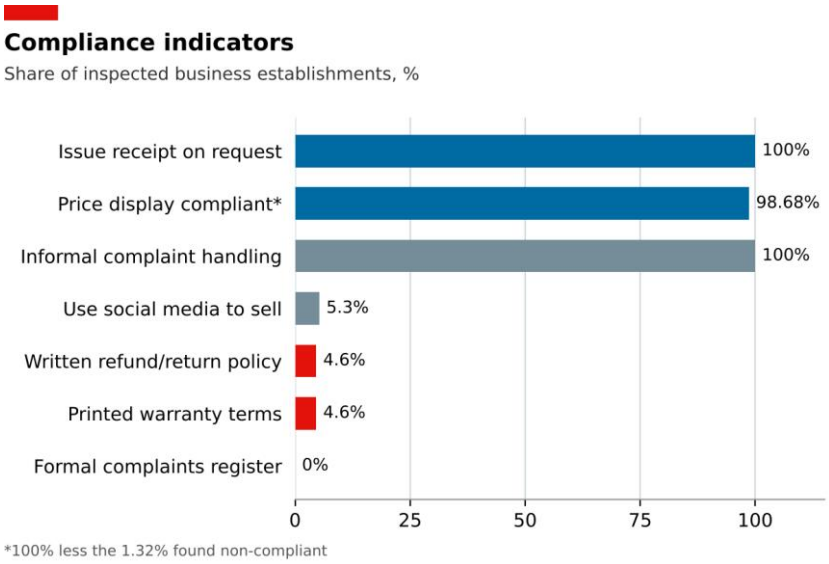
Type	Zhemgang	Trongsa	Bumthang	Total
Grocery/general shops	43	33	61	137
Restaurants	26	16	40	82
Vegetable vendors	2	13	12	27
Garments	2	3	7	12

Type	Zhemgang	Trongsa	Bumthang	Total
Meat shops	6	3	3	12
Hardware shops	4	3	2	9
Fuel retail outlets	3	2	2	7
Tailoring	1	1	5	7
Electronics	2	1	3	6
Bakeries	1	1	1	3
Handicrafts	0	0	3	3
Beauty salons	1	1	1	3
Total	**91**	**77**	**140**	**308**

Refunds, warranties and complaints

Among the 301 non-fuel establishments, 95.02% had no written refund, return, exchange or warranty policy. Only 4.6% (14 shops, chiefly hardware and electronics sellers) stated such terms on bills, with warranties of six months to one year. Handicraft shops generally did not offer refunds, though some allowed returns or exchanges case by case. Many shopkeepers accommodate requests informally, but some cited the tax complications of processing refunds as a reason to restrict them. In electronics shops, warranties applied only to software, with no stated coverage for hardware.

All establishments handled complaints informally, through telephone numbers on signboards or direct contact with owners. None kept a formal complaints register. Staff were aware of procedures, but without written records it is difficult to track resolution or to identify recurring problems (chart 3).



Source: Competition and Consumer Affairs Authority

Online selling

Sixteen shops (5.3%) used TikTok or Facebook to promote products and take orders. Traders in Bumthang also raised concerns about sellers who market garments, particularly the gho and kira, from residential premises on commission through TikTok, arguing that this creates unfair competition for businesses operating from commercial premises.

Recommendations and actions

The Department of Revenue and Customs (DRC) should step up its education of businesses on how GST applies. The Consumer Empowerment and Education Division (CEED) should address the absence of refund, return and exchange policies through awareness and advocacy programmes.

On the spot, businesses, hardware shops in particular, were advised that refunds or payment reversals for defective or returned goods within the warranty period should not be unduly difficult, and that any necessary GST reconciliation can be done with proper documentation and justification.

The findings point to a consistent pattern. Practices that are visible at the point of sale, such as receipts, price tags and accurate measurement, are largely in place. Practices that depend on documentation, namely calibration certificates, retained receipts, written policies and complaints registers, are not. The next round of surveillance will show whether the BSB follow-up and the awareness programmes narrow that gap.
