

LAW OF MONGOLIA

ON LAND

/Revised version/

June 7, 2002

Ulaanbaatar city

(Turiin medeelel #27, 2002)

CHAPTER ONE

GENERAL PROVISIONS

Article 1. Purpose of the Law

1.1. The purpose of this law is to regulate possession, use of land by a citizen, entity and organization, and other related issues.

Article 2. Legislation on Land

2.1. The legislation on land shall consist of the Constitution of Mongolia, Civil Code, this law and other legislative acts issued in conformity therewith.

2.2. Issues related to use and protection of underground resources, forests, water, air, flora, fauna and other natural resources shall be regulated by relevant legislative acts.

Article 3. Legal Definitions

3.1. The following terms used hereby in this law shall be interpreted as follows:

3.1.1. "land" means a piece of space including the land surface, its soil, forests, water and plants;

3.1.2. "to own land" means to be in legitimate control of land with the right to dispose of this land;

3.1.3. "to possess land" means to be in legitimate control of land in accordance with purpose of its use and terms and conditions specified in respective land contracts;

3.1.4. "to use land" means to undertake a legitimate and concrete activity to make use of some of the land's specific qualities in accordance with contracts made with owners and possessors of land within the legal scope;

3.1.5. "To vacate land" means removing obstacles from the land by such actions as transferring buildings and other properties on the land, and rehabilitating the land for the purpose of returning the land to the owner upon expiration of the right to possess or use the land, or when land has been used without authorization according to the provision set forth in legislation and agreement

3.1.6. "Pastureland" means rural agricultural land covered with natural and cultivated vegetation for grazing of livestock and animals;

3.1.7. "A certificate of land possession" means a document certifying rights of land possession granted to Mongolian citizens, companies, organizations in accordance with this law;

3.1.8. "A certificate of land use " means a document certifying rights of land use granted to foreign countries, international organizations, and companies with foreign investment, foreign legal entities, foreign citizens and stateless person's in accordance with this law.

Article 4. Principles Pursued by the Government in Relation to Land

4.1. The government shall pursue the following principles in relation to land:

4.1.1. The integrity of the territory of Mongolia shall be maintained and the territory of land shall be unified;

4.1.2 the land shall be under state monitoring and protection;

4.1.3. fairness and equity shall be ensured with respect to ownership, possession and use of land;

4.1.4. following terms and procedures of the law, the land shall be used efficiently, rationally and for its main purpose, and shall be protected and rehabilitated;

4.1.5. any activities that may cause damage to human health, nature protection, national security, or those that may cause ecological imbalance shall not be undertaken.

Article 5. Land Owners

5.1. Any land other than that granted for ownership to citizens of Mongolia shall be the state property.

5.2. Land, excluding pastureland, land for common tenure and land for the state special state needs, may be given for ownership to citizens of Mongolia only.

5.3. Issues related to giving land for ownership to citizens of Mongolia shall be regulated by the relevant law.

Article 6. Land Possessors and Land Users

6.1. Mongolian citizens of 18 years and over (hereinafter referred to as "citizens"), companies and organizations may possess or use land in compliance with this law.

6.2. Unless otherwise provided in law, following land, shall be used for common purpose under relevant government agency's control and regulation:

6.2.1. pasturelands, water points in pasturelands, wells and salt licks;

6.2.2. public tenure lands in cities, villages and other settlements;

6.2.3. land under roads and networks;

6.2.4. lands with forest resources;

6.2.5. lands with water resources.

6.3. Foreign countries, international organizations, foreign legal entities, entities with foreign investment, foreign citizens and stateless persons may become users of land for a specific purpose and period of time subject to contract conditions and in compliance with the law.

6.4. Those plots of land developed as attachment of the main building in compliance to building requirements for inhabitants and owners of apartment building, such as green grass, trees, bush and vegetation, children's playground, shade erections, pedestrian path and automobile roads and parking space can be

given for use to common ownership of condominium association for protection and maintenance purposes in accordance to the law on Legal status of Condominium Owners' Associations

Article 7. Land Fees

7.1. Citizens, companies and organizations possessing or using land shall pay land fees in accordance with relevant laws and contracts.

7.2. The amount of land fees and regulations on partial waiver from land fees, exemption from land fees, and expenditure of the income from land fees shall be regulated by the law.

Article 8. Maps of Borders, Names of Geographic Units and Land Classification

8.1. Each aimag, capital city, soum and district shall have maps showing their borders, names of geographic units and land classification.

8.2. Borders of territories and names of geographic units shall be approved by the State Ikh Khural. Maps showing land classification shall be approved by the state central administrative organization in charge of land fund issues.

8.3. Territorial maps of each aimag, capital city, soum and district showing their borders, names of geographic units and land classification shall be kept by the governors of corresponding levels; and the full copies covering the national territory shall be kept by the state administrative organization in charge of land issues.

8.4. The state central administrative organization in charge of land issues shall approve regulations on keeping and using maps that show borders of territorial units, names of geographic units and land classification, as well as regulations on making changes on these maps.

8.5. Only the State Ikh Khural shall be entitled to change official geographical names.

8.6. It shall be prohibited to use different geographical names, translate geographic names from Mongolian into other languages, or transcribe these names as pronounced in other languages when using geographic names in official documents and events.

CHAPTER TWO

THE UNIFIED LAND TERRITORY OF MONGOLIA AND ITS BASIC CLASSIFICATION

Article 9. The Unified Land Territory

9.1. Regardless of the form of ownership, all land within the borders of Mongolia constitutes a unified land territory.

9.2. The unified land territory shall be classified based on the general purpose of its use and the need for its use.

Article 10. Basic Classification of the Unified Land Territory

10.1. The unified land territory of Mongolia shall be classified as follows:

- 10.1.1. agricultural land;
- 10.1.2. land of cities, villages and other settlements;
- 10.1.3. land under roads and networks;
- 10.1.4. land with forest resources;
- 10.1.5. land with water resources;
- 10.1.6. land for special needs.

Article 11. Agricultural Land

11.1. Agricultural land shall include pastureland, hayfields, crop lands, lands for cultivation, fallow lands, lands under agricultural constructions and other land for agricultural production.

Article 12. Land of Cities, Villages and Other Settlements

12.1. Land of cities, villages and other settlements shall include lands under urban constructions and buildings, industrial and mining sites and urban common tenure land and land under possession, utilization of citizens, economic entities and organizations.

12.2. Common tenure lands shall include urban streets, squares, roads and resorts not possessed by individuals, companies and organizations, areas for entertainment and sports, parks, cemeteries, waste disposal and cleaning sites and other similar areas.

Article 13. Land Under Roads and Networks

13.1. Land under roads and networks shall include land outside cities, villages and other settlements given for the needs of energy supply, heating supply, water supply and cleaning, transportation, communication and information networks.

Article 14. Land With Forest Resources

14.1. Land with forest resources shall include forests, forest glades and logged areas, and forest strips, as well as land for growing forests and areas adjacent to forests to allow forest expansion.

Article 15. Land With Water Resources

15.1. Land with water resources shall include land under lakes, ponds, pools, rivers, streams, torrents, springs, glaciers and iced riverbeds.

Article 16. Land for Special Needs

16.1. Mongolia shall have lands for special needs. The following land shall be considered as lands for special state needs:

- 16.1.1. lands under special state protection;
- 16.1.2. border strip lands;
- 16.1.3. lands provided for ensuring national defense and security;

16.1.4. land specified for foreign diplomatic missions and consulates, as well as resident offices of international organizations;

16.1.5. land for scientific and technological tests, experiments and sites for regular environmental and climatic observation;

16.1.6. inter-aimag reserve rangeland;

16.1.7. hayfields for government fodder reserves;

16.1.8. contracted oil exploration sites to be utilized in compliance with the production sharing agreements;

16.1.9. free zone areas.

16.2. Aimags, the capital city, and soums may take land for special needs of the local government for the purposes referred to in provisions 16.1.1, 16.1.6 and 16.1.7 of this article.

16.3. Land belonging to any classification of the unified land territory can be taken for special needs.

CHAPTER THREE

THE POWERS OF GOVERNMENT AUTHORITIES AND LOCAL SELF-GOVERNING ORGANISATIONS REGARDING LAND MATTERS

Article 17. The power of the State Ikh Khural

17.1. The State Ikh Khural shall have the following power with respect to land issues:

17.1.1. to formulate the unified state policy on land issues;

17.1.2. to make decisions on giving land for use to foreign countries, international organizations and foreign legal entities under lease and concession agreements for a certain period of time;

17.1.3. to take land for the state special needs for the purposes referred to in provisions 16.1.2-16.1.4 and 16.1.9 of this law or to release it from special state needs and to determine the size and boundaries of these areas;

17.1.4. to determine size and location of land for implementation of regional international projects and events.

Article 18. The power of the Government

18.1. The Government shall have the following power with respect to land issues:

18.1.1. to organize and ensure implementation of the unified state policy on land issues;

18.1.2. to take the land for the state special needs for the purposes referred to in provisions 16.1.3, 16.1.5-16.1.7 or to release it from the state special needs, to transfer it under control of relevant authorities and to approve regulations specifying its borders and use procedures;

18.1.3. to pay compensation in the event of taking land for the state special needs with or without replacement;

18.1.4. to approve regulations for establishment and operation of land auction markets;

18.1.5. to approve regulations on land management, certification of land characteristics and quality and presenting reports on the unified land territory;

18.1.6. to determine boundaries for lands referred to in provision 17.1.2 of this law and approve their use procedures;

18.1.7. to approve the general State Land Management Plan.

Article 19. The power of the State Central Administrative organization

19.1. State Central Administrative Organization in charge of land issues shall exercise the following powers:

19.1.1 to organize implementation of the general government policy and legislation on land

19.1.2. to introduce the report on unified land fund to the Government

19.1.3. to grant licenses to business units and organizations giving them the professional rights to engage in land management and cadastral activities, to cancel these licenses; to approve and ensure implementation of regulations and operational rules;

19.1.4. to monitor disbursement of funds for land management, land protection and rehabilitation;

19.1.5. to approve a guidance for determining starting prices for land licensing auctions;

19.1.6. to submit for approval by Government its recommendation to take the land referred to in provisions

16.1.2, 16.1.9 for special use by State or to release from special use by State, and to set its size and boundaries;

19.1.7. to monitor land characterization and qualification activities at State level;

19.1.8. to make conclusions on general plan of land management of aimags and the Capital city, monitor the implementation of such;

19.1.9. to develop the policy of land cadastre and direct the activities at State level;

19.1.10. to classify the unified land territory according to the general classification, and submit to Government for approval the issues of land shift from one classification to another;

19.1.11. to approve the by-laws of the State central Administrative Organization in charge of land issues.

19.2. State central Administrative Organization in charge of environmental issues shall exercise the following powers:

19.2.1 to submit for approval by Government its recommendation to take the land referred to in provision 16.1.1 of this law for special use by State or to release from special use by State, the size and boundaries thereof;

19.2.2 develop methods, guidelines and regulations for fighting with of land erosion, grading the damage to the land, setting type and kind of desertification and rehabilitation thereof.

Article 20. Common powers of Citizens' Representatives Khurals and Governors of Aimags, the Capital City, Soums and Districts

20.1. Citizens' Representatives Khurals of aimags, the capital city, soums and districts shall exercise the following common powers with respect to land issues:

20.1.1. to monitor enforcement of land legislation and enforcement of their decisions related to land issues, to discuss and assess reports of governors on land issues;

20.1.2. to ratify general land management plans for aimags and the capital city and annual land management plans for soums, districts, consistent to a general plan submitted by corresponding level governors;

20.1.3. to take land for special needs of aimags, the capital city and soums on submission of such proposals by corresponding level governors; determine their size and boundaries and approve procedures for their use;

20.1.4. to make decisions on granting compensation for the land taken or exchanged from private use for special needs of aimags, the capital city and soums prior to expiration of their contracts, on submission of such proposals by corresponding level governors;

20.2. Governors of aimags, the capital city, soums and districts shall have the following common powers with respect to land issues:

20.2.1. to organize and ensure implementation of the unified state policy on land and enforcement of land legislation and resolutions by Citizens' Representatives Khurals on their territory;

20.2.2. to monitor whether users and possessors of local lands make efficient and rational use of land and land resources, and whether they protect the land in compliance with the law and contracts; to make decisions to recover violations and to organize enforcement of these decisions;

20.2.3. to submit drafts of general land management plans of aimags and the capital city, or annual land management plans of soums, district consistent to general plan to Citizens' Representatives Khurals of corresponding levels ;

20.2.4. to review and consolidate unified land territory reports for administrative and territorial units of their levels, to submit them to Citizens' Representatives Khurals for their discussion and evaluation, and to report to the higher level governors or the relevant state administrative organization in charge of land issues;

20.2.5. to submit to Citizens' Representatives Khurals proposals regarding taking land for special needs, upon prior agreement with the possessor of the land and the governor of the corresponding level;

20.2.6. to make decisions on eviction of persons who caused significant degradation of land based on conclusion of authorized professional organization ; and to implement the decision;

20.2.7. to cancel inappropriate decisions of governors of subordinating level related to land possession and use issues, and to take measures for elimination of damages;

20.2.8 to make proposals to the authorized organizations on appointing or dismissing of a specific level's director or head of Land Department;

20.2.9 to submit a proposal to the relevant state administration urging evaluation and conclusion of professional organization on complaints by a

particular person, economic entity and organizations claiming negative impacts on the environment as a result of land possessor's or land user's misconduct, or insufficient compliance with its contract duties.

Article 21. The power of Citizens' Representatives Khurals of the Capital City and Governors of Aimags, the Capital City, Soums and Districts

21.1. The Citizens' Representatives Khural of the capital city shall have the following power with respect to land issues:

21.1.1. to discuss and approve annual land management plans for each district and city construction phase project for the capital city up in sequential order upon submission of these plans by the Governor;

21.2. The governor of the capital city shall have the following power with respect to land issues:

21.2.1. to develop drafts of annual land management plans and city construction phase project for each district, and submit them to the Citizens' Representatives Khural of the capital city along with opinions of district governors and the relevant State Central Administrative Organization in charge of Land affairs in charge of land issues;

21.2.2. to determine, each year, the location, purpose and total size of land to be given for use or possession according to the approved plan;

21.2.3. to resolve issues of providing land for possession, utilization in areas which have or planned to have connection to capital city settlement engineering grids and networks according to the general and annual land management plans and the city construction phase project approved by the Citizens' Representatives Khural of the capital city. In resolving the issues, prior consultation with relevant district Governor shall be required;

21.2.4. to organize provision of land for possession or utilization in accordance with the provision 21.2.3 of this law according to the approved plan on annual land management plans and city construction phase project.

21.3. Aimag governors shall have the following power with respect to land issues:

21.3.1. to provide guidelines for drafting of the annual land management plans of soums;

21.3.2. to resolve issues of providing land for possession, utilization in areas which have or planned to have connection to rural settlement engineering grids and networks according to the general land management plans of aimags approved by the Citizens' Representatives Khural of the aimag. In resolving the issues, prior consultation with relevant soum Governors shall be required;

21.4. Soum governors shall have the following power with respect to land issues:

21.4.1. to comment on the draft general land management plan of the aimag;

21.4.2. to submit to the Citizens' Representatives Khural of the soum draft annual land management plans for their territory in accordance with the approved general land management plan of the aimag;

21.4.3. to make decisions to grant land for use or possession and to organize their implementation within the soum's territory, except the land referred

to in the provision 21.3.2 of this law, in accordance with land management plans for the current year approved by Citizens' Representatives Khural of the soum;

21.5. District governors shall have the following special rights with respect to land issues:

21.5.1. to comment on draft general and annual land management plans and city construction phase project;

21.5.2. to formulate draft annual land management plans for their territories in accordance with the approved general and annual land management plans and city construction phase project approved by the Citizens' Representatives Khural of the capital city and to submit to Citizens' Representatives Khural of the district;

21.5.3. to make decisions to grant land for use or possession and to organize their implementation within the district's territory, except the land referred to in the provision 21.2.3 of this law, in accordance with land management plans for the current year approved by Citizens' Representatives Khural of the district and with the provision 21.2.2 of this law;

Article 22. The power of Public Khurals and Governors of Bags and Khoroots

22.1. Citizens' Public Khurals and governors of bags and khoroots shall have the following power with respect to land issues:

22.1.1. to regulate use of common tenure land;

22.1.2. to ensure health and hygienic requirements on common tenure land within the territories of bags and khoroots;

22.1.3. to discuss reports of governors on land use and protection and to evaluate them;

22.2. Governors of bag and khoroot shall exercise the following power with respect to land issues:

22.2.1. to ensure enforcement of land legislation and implementation of common requirements for efficient and rational land use and protection;

22.2.2. to ensure implementation of decisions of higher level authorities and decisions of Citizens Public Khurals of bags and khoroots on land use and protection;

22.2.3. to take the responsibility for use, protection, health and hygiene of common tenure land on their territory.

Article 23. The Structure and competence of the State administrative organization in charge of land issues

23.1. The state administrative organization in charge of land issues shall have centralized management, Land departments in each aimag, the capital city and district and Land officers in each soum. 23.2. The State administrative organization in charge of land issues shall have the following competence:

23.2.1. to organize implementation of the general land policy from Government;

23.2.2. Deleted;

23.2.3. to develop the general land management plan on the national level;

- 23.2.4. to undertake land management of state special needs land;
 - 23.2.5. to consolidate and submit land reports annually to the State Central Administrative Organization in charge of land affairs;
 - 23.2.6. to approve structures and positions of the Land departments in aimags, the capital city and districts within the scope set forth by the Government; to appoint and dismiss directors of Land departments in aimags and the capital city upon consultation with respective Governors;
 - 23.2.7. to organize land auctions in accordance with the relevant regulations;
 - 23.2.8. to undertake land management on the national level;
 - 23.2.9. Deleted;
 - 23.2.10. to monitor land protection, rehabilitation and land management;
 - 23.2.11. to give proposals to cancel illegitimate land-related decisions of authorities and officials to governors of corresponding levels for their decision;
 - 23.2.12. to be in charge of policy on human resources proficient in land management matters and to provide technical guidance on land management issues;
 - 23.2.13. to approve regulations for granting certificates for land use and land possession ;
 - 23.2.14. to administer and organize cadastral activities on the national level, and to compile and maintain the land database;
 - 23.2.15. to conduct research on land management and land cadastral surveys;
 - 23.2.16. to assess and evaluate jointly with relevant professional organizations possible negative impacts on the environment in accordance with the provision 20.2.9 of this law;
 - 23.2.17. give conclusion and provide monitoring to the land management, activities of professional organization for cadastre;
 - 23.2.18. Deleted;
 - 23.2.19. Deleted;
 - 23.2.20. Deleted
 - 23.2.21. to operate a monitoring network responsible for identifying and evaluating land characteristics and quality, as well as for controlling and monitoring changes thereof at the state level;
 - 23.2.22. to establish a unified land database for identifying and evaluating changes in land characteristics and quality and for keeping registration of land possessors and users basing on advanced technology and techniques.
- 23.3. Aimags and the capital city departments in charge of land related issues shall exercise the following competence:
- 23.3.1. to design general land management plans for aimags and the capital city;
 - 23.3.2. to design upon proposal, changes or clarification of boundaries of local administrative and territorial units;
 - 23.3.3. to conduct land cadastral surveys, to establish the land database for aimags and the capital city, and to serve the public with this information;
 - 23.3.4. to prepare and submit land reports to governors in accordance with relevant procedures;

- 23.3.5. to organize land management activities within their territory;
- 23.3.6. to appoint or dismiss heads of district land departments and land officer of soum upon consultation with the relevant level governor;
- 23.3.7. to conclude land possession or utilization contracts with citizens, economic entities and organizations based on Governor's resolution, and to issue certificates;
- 23.3.8. to levy and collect land taxes in accordance with the legislation.

23.4. Land officer of soum and heads of district land departments shall exercise the following competence:

- 23.4.1. to prepare annual land management plans of soums and districts;
- 23.4.2. to conclude agreements on land possession and use with citizens, companies and organizations based on Governor's resolution, and to issue certificates;
- 23.4.3. to mark boundaries of land given for possession or use, to determine their longitude and latitude, to create their cadastral maps and to register them in the national land registry;
- 23.4.4. to keep the land database;
- 23.4.5. to levy and collect land fees according to relevant legislation.

23.5 . Deleted.

CHAPTER FOUR

LAND MANAGEMENT, LAND CADASTRE AND THE UNIFIED LAND TERRITORY REPORT

Article 24. Land management and its financing

24.1. Land management is a set of activities aimed at implementing land legislation, maintaining a land registration, ensuring efficient and rational use of land, protecting and rehabilitating land, increasing economic potential and resources of land and creating a favorable geographic and land market environment.

24.2. Land management shall be carried out by professional organizations authorized by the State central administrative organization in charge of land issues.

24.3. The Government shall establish prices and tariffs for land management services.

24.4. Citizens, companies and organizations to whom this applies shall comply with resolutions of the Government, government authorities, Governors and Citizens Representatives' Khurals of all levels regarding implementation of land management.

24.5. Land management activities shall be financed as follows:

24.5.1. Funds for land management activities, including fixing boundaries of administrative and territorial units and making changes to them, developing the national land management plan, and other activities related to

estimating prospects for regional development, shall be financed from the State central budget;

24.5.2. Funds for land management activities of aimags, the capital city, soums, district, cities, villages and other urban settlements shall be financed from respective local government budgets;

24.5.3. Funds for land management activities for land in use or possession of citizens, companies and organizations shall be financed from their own funds.

Article 25. Main Documents on Land Management and Their Requirements

25.1. The main documents on land management shall consist of the following:

25.1.1. the general national land management plan;

25.1.2. general land management plans of aimags and the capital city;

25.1.3. city construction phase project;

25.1.4. annual land management plans of capital city, soums and districts;

25.1.5. charts related to constructing new towns and cities, acquiring new crop lands, establishing national protected areas, lands covering large industrial sites, mining pits, roads, networks and regional or special economic zones; their feasibility studies; and maps and drawing of land management plans;

25.1.6. cadastral maps, registration, survey and evaluation documents.

25.2. The general national land management plan shall be a set of maps and drawings with a view of the coming 16-20 years of Mongolia's socio-economic development upon maintaining a land management policy adapted to natural and geographic conditions, land resources, ecological and economic considerations, and spacious capacity and potential.

25.3. The general land management plan of aimags and the capital city shall be a set of maps and drawings developed taking into consideration conditions indicated in provision 2 of this article and to be implemented in 12-16 years.

25.4. Annual land management plans of the capital city, soums and district shall be a set of maps and drawings to be implemented within one year. The location of land to be used, possessed, protected and rehabilitated by citizens, companies and organizations shall be marked on them.

25.5. Cadastral maps, registers and survey and evaluation documents shall comply with the requirements of the relevant laws.

Article 26. Cadastral Registry and Unified Land Territory Report

26.1. Land cadastre shall be an integral part of land management activities.

26.2. The cadastral register shall include all data such as the national register of land in all classifications of the unified land territory, referred to in Articles 9-16; quantitative registration information; quality of land; evaluation; fees;

migration, changes in records and land protection measures, by each territorial unit.

26.3. The unified land territory report will show allocation of land [by owners, possessors and users], national registration, the state of use and protection of land by each administrative and territorial unit. The report shall have attached drawings of changes to the above.

26.4. The Government shall approve a format for the unified land territory report.

26.5. Governors of soums and districts shall prepare unified land territory reports for soums and districts by December 1 of each year and submit to governors of aimags and the capital city by December 15 of the same year. Governors of aimags and the capital city shall prepare unified land territory reports of aimags and the capital city and submit them to the State administrative organization in charge of land issues by 15 January the following year.

26.6. The state central administrative organization in charge of land issues shall present the annual national unified land territory report to the Government by the end of March of the following year.

26.7. The unified land territory report shall be based on results of land cadastre.

26.8. Issues related to land cadastre relations shall be regulated by the relevant laws.

CHAPTER FIVE

GIVING LAND FOR POSSESSION OR USE

Article 27. Giving Land into Possession

27.1. State owned land shall be given for possession for the purpose, and according to terms and conditions stipulated in this Law, on the basis of a contract and land possession certificate only.

27.2. The land possession certificate (hereinafter referred to as "the certificate") shall be given only to Mongolian citizens, companies and organizations.

27.3. Each land unit shall have a certificate.

27.4. Possessing land without a valid certificate shall be prohibited.

27.5. Land depreciate and deteriorated as a result of human activities and abandoned can be given for possession to citizens, economic entities and organizations who have rehabilitated the land with their efforts and funding.

27.6. Citizens, economic entities and organizations who with their own funding have created artificial lakes, ponds, water reservoirs and who raised animals, planted forests and valuable herbs can be granted priority in getting this land into their possession based on Public Khural of the bag proposal, evaluation of relevant professional organizations and resolutions by Citizens Representatives' Khural of the soum.

Article 28. Types of Land Possession Certificates

28.1. Land possession certificates shall be of the following types:

- 28.1.1. for household needs;
- 28.1.2. for government organizations;
- 28.1.3. for economic entities and organizations.

Article 29. Size and Location of Land Which May Be Possessed by a certificate

29.1. Land to be granted free of charge for possession to citizens for fenced areas with their private gers and houses for their household needs shall not exceed 0,07 hectares.

29.2. In addition to land referred to in provision 1 of this article, land not exceeding 0,1 hectares may be given free of charge for possession to citizens for cultivating vegetables, fruits, berries and fodder plants.

29.3. A citizen with years' stable service to cultivation can be granted priority in possession of land for common household needs according to the Government regulations based on resolutions of Public Khurals of bags and Citizens Representatives' Khurals of soums. Size of land for the priority possession per citizen shall be up to 100 hectares for crop cultivation and 5 hectares for vegetable cultivation.

29.4. Citizens Representatives' Khurals of respective soums and districts may establish the maximum size and location of land to be possessed by citizens for purposes referred to in provisions 29.1, 29.2. and 29.3 of this law, taking into consideration density of the population and land resources.

29.5. Land for cultivating vegetables, fruits and berries may be located next to the residential lots or in a location specifically designated for this purpose.

29.6. The Government shall establish the maximum size of land to be given for possession to companies for production and service purposes.

Article 30. Duration of Land Possession

30.1. The state-owned land may be given possession to Mongolian citizens, economic entities and organizations for duration of 15 to 60 years. The land possession certificate may be extended for not longer than 40 years at a time.

30.2. In the event of death or announcement of death of land possessor or in the event when the land possessor is announced to be missing, the legitimate heir, if wishes, may transfer the land possession certificate on his/her name and may possess that land until the original date of expiration of the certificate.

Article 31. Requirements for Acquiring Certificate

31.1. Applicants for a land possession certificate may be Mongolian citizens, companies and organizations only.

31.2. The location of the land requested for possession shall have been marked in the land management plan of the aimag, capital city, soum or district as

available for giving into possession to citizens, economic entities and organizations.

31.3. The land requested for possession shall not overlap in any way with land territory that is already in possession under a valid certificate.

Article 32. A Request for Land Possession

32.1. Citizens, economic entities and organizations shall submit their requests for a land possession to corresponding level governors according to a format approved by the State administrative organization in charge of land issues.

32.2. Citizens shall have to include the following information in their requests referred to in provision 32.1:

32.2.1. family name and first name, permanent residential address, citizen's passport number and its registration number;

32.2.2. the scheme of the requested land, which shows the territorial and administrative jurisdiction to which the land belongs, its size, boundaries, location and square unit's ;

32.2.3. purpose and duration of land possession.

32.3. Companies and organizations shall have to include the following information in their requests referred to in provision 32.1:

32.3.1. name of the company or organization, jurisdiction to which the company belongs, address and location and a copy of the state registration certificate;

32.3.2. the scheme of land requested which shows the territorial and administrative jurisdiction to which the land where the company intends to undertake production and services belongs, its size, location and square units;

32.3.3. purpose and duration of land possession.

32.4. Upon receiving a request along with attached documents referred to in provisions 32.2 and 32.3 of this article, the land officer of the soum, Land department of aimag, capital city and districts shall register the request according to the procedures approved by the concerning government authority. Upon receipt of the request, the year, month, date, hour and minute of the receipt shall be recorded in the registry, and a certificate of receipt shall be given to the applicant.

32.5. Land officer of soum, Land department of aimags, the capital city or districts shall carefully revise the request along with the attachments. In the event of insufficient compliance with the requirements, the officials shall notify the applicant in written form with appropriate justifications for refusal and shall delete the request from the records.

Article 33. Granting Land Possession Certificates

33.1. The issue of granting land possession certificates to Mongolian citizens, companies and organizations shall be decided as follows:

33.1.1. In accordance with the general land management plans and the annual plans approved by the Citizens Representatives' Khurals of respective aimags, the capital city and districts, Governors of relevant levels shall make decisions to grant land into possession in compliance with provisions 29.1, 29.2

and 29.3 of this law, as well as to grant land for necessary utilization to state budgetary organizations.

33.1.2. Governors of corresponding level shall solve the issue of giving certificates for land possession to citizens, companies and organizations for purposes other than those referred to in provision 33.1.1 of this article, or land exceeding the size stipulated in provisions 29.1, 29.2 of this Law through a land auction or tendering process. Regulations for tendering or auctioning shall be set forth by the Government.

33.2. If the person who received the notification for the certificate payment upon resolution in accordance with provision 33.1.2 of this law, does not pay it within the time required, the right to possession of that land certificate shall be re-auctioned.

33.3. Any disputes related to decisions on land possession by certificate shall be settled in reference to provision 60.1.1 of this law.

33.4. It shall be prohibited to give into possession land other than that marked as available for possession in the land management plans of aimags, the capital city, soums and districts.

Article 34. A Contract of Land Possession and Procedures for Concluding the Contract

34.1. Land officer of soum, land department of aimag, the capital city and district shall, on the basis of the decision on land possession referred to in provision 33.1 of this law, make a contract with the citizen, company or organization; issue the certificate; and register it in the national registry.

34.2. Citizens, companies and organizations who have acquired the right to possess land for undertaking production and services shall have a general environmental impact assessment test made within 90 working days upon receiving that right. After such assessment, a contract on land possession shall be made, the certificate issued, and a record made in the state registry.

34.3. If the general environmental impact assessment test made on the land to be possessed by a citizen, a company or an organization shows negative results, the request for land possession certificate shall be refused and the auction bid price shall be refunded.

34.4. If activities of all citizens, companies and organizations who participated in the auction showed negative results in the assessment test, another auction shall be organized in accordance with this law.

34.5. The state registry shall indicate date of issue of the certificate, the name of the possessor, the code of the possessed land unit, its size and location, and shall have a separate appendix designated for marking any changes or amendments related to certificates.

34.6. A contract on land possession shall have the following information:

34.6.1. justification for giving land for possession (reference to the relevant resolution);

34.6.2. the purpose of land possession;

34.6.3. a map showing the size, location, and boundaries of the land;

34.6.4. characteristics of the land and its quality;

- 34.6.5. duration of land possession;
- 34.6.6. the amount of land fee and terms of payments;
- 34.6.7. rights and responsibilities of the parties to the contract;
- 34.6.8. an agreement on handling constructions and other property on the land upon termination of the land possession right;
- 34.6.9. terms and procedures for compensation in case the land is withdrawn or is replaced;
- 34.6.10. actions to be taken for land protection and rehabilitation;
- 34.6.11. other issues considered necessary.

34.7. A state certificate on characteristics and quality of land given for possession and environmental impact assessment shall be attached to a contract on land possession given for purpose of undertaking production and services.

34.8. The certificate of land possession shall be valid in presence of the valid contract. Parties to the contract shall review its implementation each year.

34.9. In the event of joint possession of land, only one contract may be made.

34.10. A certificate on land possession of citizens, companies and organizations shall serve as a ground for registering their immovable property on this land in the State registration.

Article 35. Rights and Duties of the land possessor

35.1. Land possessor shall enjoy the following rights:

- 35.1.1. to possess and use the land according to the purposes set forth in the contract;
- 35.1.2. to obtain the State Certificate on the land characteristics and quality from the owner;
- 35.1.3. to have damages compensated by the guilty person in accordance with established procedures;
- 35.1.4. to transfer the certificate or put it as collateral upon approval of the person who made the decision on the land possession;
- 35.1.5. to have the certificate extended upon expiration of the certificate, provided that the certificate holder will have been duly meeting his/her obligations of land legislation and the contract on land possession;
- 35.1.6. to give the land wholly or partially to others for utilization upon approval of the person who made the decision on the land possession .

35.2. The rights stated in provisions 35.1.4 and 35.1.6 of this law shall not apply to state organizations.

35.3. Certificate holders shall have the following duties:

- 35.3.1. to meet terms and conditions set forth in the land possession contract;
- 35.3.2. to use land efficiently and rationally and to protect the land, to comply with legislation on protection of nature and environment, and meet common requirements related to land use, made by relevant state authority;
- 35.3.3. to pay land fees in a timely manner;
- 35.3.4. to have the state certification on characteristics and quality of the land made according to the established procedures;

35.3.5. abstain from infringing rights and legitimate interests of others that are related to land possession;

35.3.6. to register at the state registry if the certificate is to be transferred or put as a collateral.

Article 36. Auction Price of a Land Possession Certificate and Administrative Fees

36.1. Relevant level governors shall set the starting price at auctions of land possession and utilization certificates, according to a formulae approved by the state central administrative organization.

36.2. The price set during the land auction shall be considered the real value of the certificate.

36.3. Deleted

36.4. The Government shall determine the amount of fees to be charged for issuing, transfer and extension of certificates.

36.5. The administrative fees for transfer of certificates and for extension of certificates shall be accumulated in the land protection and rehabilitation fund.

Article 37. Extension of a certificate

37.1. A certificate holder shall submit a request for extension of the term of the certificate to the governor of the relevant level at least thirty days prior to its expiration, with the following documents attached:

37.1.1. the land possession certificate;

37.1.2. land fees payment receipt ;

37.1.3. status of implementation of the recommendations made upon the environmental impact assessment test.

37.2. On receiving a request for extension of a certificate, governors of aimags, the capital city, soums or districts shall review and determine, within 15 days, whether or not that person will have been meeting conditions to preserve the right to hold the possession certificate. If conditions will have been met consistently, the governor shall extend the certificate and land officer of soum land department of aimag, capital city, district make relevant registration.

Article 38. Transfer of a certificate to Others

38.1. Certificate holders may transfer their certificates or put them as collateral in a legally allowed manner. Such transfers and pledges may be undertaken only between Mongolian citizens, companies and organizations.

38.2. Parties to a certificate transfer transaction shall submit the request with the following documents attached:

38.2.1. a contract or a will certified by the notary;

38.2.2. a proof that a person receiving the certificate agrees completely with rights and obligations arising from receiving the certificate;

38.2.3. documents proving that certificate transfer fees have been paid.

38.3. On receiving a request to transfer a certificate, governors of relevant levels shall verify the following:

38.3.1. whether the request meets the requirements of provision 38.2 of this law;

38.3.2. whether the certificate requested to be transferred is valid;

38.3.3. whether the legal person to receive the certificate has the right to possess that certificate

38.4. Governors of relevant levels shall make a corresponding decision within 15 days upon receipt of the request to transfer the certificate. The transfer of a certificate shall be become valid upon it's registration with land officer of soums, land departments of aimags, the capital city and districts.

38.5. Land possessor may pledge their certificates as collateral upon receiving permission specified in the article 35.1.4 of this law in compliance with the Civil Code; in this case they have to have the pledge registered with the land officer of the soum, land departments of aimag, the capital city and or district Land Department.

Article 39. Expiration of a Land Possession Certificate

39.1. Certificates may expire in the following circumstances:

39.1.1. if, upon expiration of the land certificate, no request has been made for its extension;

39.1.2. if a certificate holder - a natural person has died, announced died or missing, and it was established that the certificate holder has no legitimate successors; or if a certificate holder - a legal person has been dissolved or liquidated;

39.1.3. if a certificate holder requested to terminate his certificate possession contract;

39.1.4. if certificate possession certificate became invalid ;

39.1.5. if compensation has been paid in full to the certificate possessor for the land withdrawn for special needs.

Article 40. Termination of Certificate Possession Rights

40.1. Governors of aimags, the capital city, soums and districts shall terminate certificates in the following circumstances:

40.1.1. if the certificate holder has consistently or seriously violated obligations set forth in the land legislation, and provisions and conditions of the land possession contract;

40.1.2. if conclusions of an authorized organization proved that the land has been used to detriment of human health, environment protection, and interests of national security;

40.1.3. if a certificate transferred from others is not registered, and a new contract is consequently not made;

40.1.4. if recommendations made upon the general environmental impact assessment are not implemented;

40.1.5. if the certificate holder has not paid land fees payable according to the law, on time and in full;

40.1.6. if the land has not been used for the purposes set forth in the contract in subsequent two years' time without solid justification.

40.2. In case circumstances set forth in provision 40.1 of this law are proven, governors of aimags, the capital city, soums and districts shall issue an order terminating the certificate and notify of this the certificate holder or the person who has taken the certificate as collateral.

40.3. If the certificate holder or the person who has taken the certificate as a collateral considers the governor's decision illegitimate, he/she shall have the right to appeal to court within 10 working days after the date of the governor's order.

40.4. Governors of aimags, the capital city, soums or districts shall notify the state administrative organization in charge of land issues of their decision to terminate a certificate and shall have the changes made to the national registry.

40.5. If the certificate holder or the person who has taken the certificate as collateral appeals to court, a new land possession certificate for this land shall not be issued until the valid court decision is made.

Article 41. Vacating the Land upon Expiration of the Land Possession Certificate

41.1. Citizens, companies and organizations possessing land shall vacate the land within 90 days of expiration date of the certificate unless otherwise stipulated in the law or in the land possession contract, and transfer the land into the jurisdiction of the governor of aimag, capital city, soum or district.

41.2. In cases stated in provisions 39.1.1-39.1.4 of this Law, the former land possessor shall bear all expenses related to the land release.

41.3. If, based on an evaluation statement made by a professional organization that the land is no longer suitable for its initial purpose due to natural disasters or emergencies, and the land possessor submits a request to terminate the land possession contract, necessary land rehabilitation expenses may be financed by the central or local government budget. However, expenses of transferring constructions, buildings and other property shall be borne by the person who possessed the land.

41.4. If the land has not been vacated within the period specified in provision 41.1 of this Law, governors of relevant levels shall organize a persuasive eviction process according to relevant legislation.

Article 42. Removing Land Possessed by Others with Compensation or with Replacement Prior To Expiration of the Contract

42.1. The relevant state central administrative organization in charge of land issues may, following an agreement with the land possessor on withdrawing his/her land with or without replacement, with full or partial compensation, for state special needs, submit such proposal to the Government.

42.2. Upon consideration of the proposal of the state central administrative organization in charge of land issues on withdrawing land with or without replacement, in whole or in part, and with compensation from the land's possessor, and consideration of the agreement with the land possessor the Government shall make an appropriate decision.

42.3. Governors of relevant levels shall, on the basis of the Government decision referred to in provision 42.2 of this Law, make a contract with the land possessor citizen, company or organization and remove the land from their possession with or without replacement and with compensation.

42.4. If residential land is removed with or without replacement, vacation of this land may take place only between 15th of May and 15th of September.

42.5. Disputes arising in relation to withdrawal of land possessed by persons with or without replacement and with compensation shall be resolved according to provisions 60.1.1 and 60.1.4 of this Law.

Article 43. Granting a Compensation for Withdrawal of Land in Possession With or Without Replacement Prior to Expiration of the Contract

43.1. Unless otherwise stated in the law or the contract, citizens, companies and organizations possessing land shall vacate it and transfer the concerned land into the jurisdiction of governors of relevant levels within 90 days of entering into force of the contract referred to in provision 42.3 of this law.

43.2. The decision of withdrawal of land in possession with or without replacement and with compensation shall take into account the prior agreement with the land possessor and shall reflect the value of immovable constructions, other properties and the costs to vacate the land estimated at current prices.

43.3. Compensation to be paid to the land possessor shall be transferred from the State central budget to governors of relevant levels when the contract referred to in provision 42.3 of this law is signed.

43.4. Governors of relevant levels shall pay the compensation to the citizen, the company or the organizations that possessed the land, within 60 days after the contract is signed, unless stated otherwise in the contract referred to in provision 42.3 of this Law.

43.5. The land possessor shall vacate the land within 30 days after receiving the compensation in full, unless stated otherwise in the contract referred to in provision 42.3 of this Law.

43.6. The compensation shall not apply to citizens, companies and organizations using the land.

Article 44. Giving Land for Use

44.1. The issue of giving land for use to foreign countries, international organizations and foreign legal entities shall be dealt in compliance with provisions 17.1.2 and 18.1.6 of this Law.

44.2. The principle of reciprocity shall be applied if it is necessary to establishing the size of land and the amount of fees for land to be used by foreign diplomatic missions and consulates, as well as resident offices of international organizations.

44.3. Terms and procedures for use of land by foreign diplomatic missions and consulates, as well as resident representatives' offices of international organizations shall be settled by international treaties of Mongolia.

44.4. Governors of relevant levels shall make decision on giving land for use to foreign citizens and stateless persons permanently residing in Mongolia (for more than 183 days) through land auctions for household needs only.

44.5. Foreign invested economic entities can use land for specific purposes, terms and conditions set forth in this Law and the Government shall set the relevant term/duration.

44.6. Citizens referred to in provision 44.4 of this Law may be given land for use not exceeding 0,05 ha for a residential lot, and not exceeding 0,1 ha for cultivating vegetables, fruits and berries. Land may be given for use for up to 5 years on a contract. Land use contract may be extended by up to 5 years at a time.

44.7. Foreign citizens and stateless persons shall obtain a certification from the relevant authority in charge of foreign citizens' issues before submitting their requests for land use.

44.8. Procedures of provisions 32, 33.1.2, 33.2, 34.1-34.5, 34.6.1-34.6.8, 34.6.10, 34.6.11 and 34.7-34.10 of this Law shall be followed in making requests for land use, reviewing requests and making decisions on the requests, determining contents of land use contracts, and concluding such contracts.

44.9. Contracts of land possession and utilization will be terminated for Mongolian citizens, economic entities and organizations that gave the land for utilization to foreign citizens, stateless persons and legal persons without prior approval from the authorized organization, and shall bear compensation for damages deriving from the land utilization.

Article 44¹. Use of Land by Condominium Association

44¹.1. an Executive Director of the Condominium Association shall make the application on behalf of the Condominium Association according to the form which is approved by the State Central Administrative Organization in charge of land issue to use the land to their respective Governor.

44¹.2 The application to use the land shall reflect the following:

44¹.2.1. the ascertaining of the Condominium Association by respective Secretariat of the respective soum or district, physical address, registered name of the Condominium Association;

44¹.2.2. the location and address of the apartment;

44¹.2.3. the size, boundaries, location, unit area, / green grass, trees, bush and vegetation, children's playground, shade erections, pedestrian path and automobile roads and parking space / the code of the territorial unit(s) requested which shows the territorial and administrative jurisdiction to which the land belongs, its size and location;

44¹.2.4 The consideration of the Governor of bagh and khoroo

44¹.3 If land is common for several apartments, then a selected Executive Director of a Condominium Association shall make the application on behalf of the Condominium Associations.

44¹.4. The land officials of Land Departments of soums or districts shall receive and revise an application referred to in provisions 44.2 of this law,. If this application do not meet the requirements referred to in provision 44.2 of this law,

the official shall give 14 days for applicant to comply the requirements. If the requirements are not complied in timely manner, then such application shall be returned to the executive director.

44¹ .5. The authorized person referred to in provision 21.2, 21.3, 21.4 of this law shall make the decision to use the land to Condominium Association and based on this decision, the land department official shall make the contract with executive director of Condominium Association accordance with the form approved by the State central Administrative organization in charge of Land Issues

44¹ .6. The contract referred to in 44¹ .5. of this law shall include the following:

- 44¹ 6.1 the provision of land use;
- 44¹ 6.2 the purpose of land use;
- 44¹ 6.3 a map showing the size, location, and boundaries of the land;
- 44¹ 6.4 characteristics of the land and its quality;
- 44¹ 6.5 duration of land use;
- 44¹ 6.6 rights and responsibilities of the parties to the contract;
- 44¹ 6.7 actions to be taken for land protection and rehabilitation;
- 44¹ 6.8 land acceptance document;
- 44¹ 6.9 other issues deemed to be necessary.

44¹ .7. The article 8 of the Law on construction and the norms and procedures relevant in construction shall apply in setting the size to be used by Condominium Association.

44¹ .8. Land department of aimags and capital city shall make and approve the General plan of land to be used by Condominium Association collectively.

44¹ .9 The term to use land by Condominium association shall be 15 years. The 15 year term to use land by Condominium association can be extended unlimited number of times.

44¹ .10 The Condominium Association shall exercise the rights referred to in Articles 35.1.1, 35.1.3, 35.1.5 of this law and shall have the duties referred to in Articles 35.3.2, 35.3.5 of this law. The Condominium Association shall comply to the terms and conditions referred to in Article 44¹ .6 of this law.

44¹ .11.If Condominium Association use the land for other purposes than stated in contract, then the Land Department shall terminate the contract referred to in 44¹ .5 of this law and the Condominium Association shall compensate the damages incurred during the use.

44¹ .12 Condominium Association may apply for use of land in compliance to procedures set in Article 44¹ .2 after taking remedy actions and paying the damages incurred during the use for other purposes than stated in contract.

Article 45. Rights and Obligations of Land Users

45.1. Land users shall enjoy the rights and obligations set forth in provisions 35.1.1, 35.1.2, 35.1.5 and 35.3.1-35.3.5 of this Law, as well as rights and obligations according to other legislation.

Article 46. Using Land in Possession or in Use for Common Tenure and Special Needs

46.1. The Government and governors of aimags, the capital city, soums and districts may use state-owned land already in possession or use, for common tenure and special needs with or without payment for specific period of time, upon such prior agreement with the land possessor or user.

46.2. The Government, due to inevitable social needs, may make a decision to use land in possession or in use for common tenure or special needs with or without payments through administrative orders until such needs disappear.

Article 47. Termination of Rights on Property Located on Land upon Expiration of Rights of Land Possession and Use

47.1. Unless otherwise stipulated in the Law and contracts, the rights of the owner to use their constructions, other properties on the land shall also expire upon expiration of rights to possess or use that land.

47.2. Unless otherwise stipulated in the Law and contracts, citizens, companies or organizations that possessed or used the land shall rehabilitate and improve its condition upon expiration of rights to possess or use the land.

47.3. Disputes arising in relation to constructions and other property on the land upon land expiration of land possession or use rights shall be resolved according to provision 60.1.4 of this Law.

Article 48. Limited Use of Land in Possession or in Use for Entering and Crossing

48.1. If land in possession or in use is not specifically protected by erected fences or posted warning signs prohibiting entering and crossing, any person may enter or cross this land without causing damage to the land.

The state central administrative organization in charge of land issues shall determine the design of warning signs as well as procedures for their use.

48.2. To use and protect their property, owners of immovable property shall have the right to demand a limited use of land possessed or used by others in order to construct roads, power, communication and engineering lines through that land, transit points and for other purposes.

48.3. The limited right to use land shall be established by an agreement between the possessor or user of land and the person demanding to use the land with limited rights.

In the event of transferring rights for possession or use to another person, the rights of other parties for limited use shall be preserved.

48.4. Possessors and users of land shall have the right to demand the person using the land with limited rights to terminate their land use if such use deems making the land unusable for its designated purposes.

48.5. It shall be prohibited to transfer the limited land use rights to persons other than owners of the property referred to in provision 49.1 of this Law.

48.6. Disputes arising in relation to the limited land use rights shall be resolved according to provision 60.1.4 of this Law.

48.7. Other affairs related to the limited land use rights shall be regulated by relevant provisions of the Civil Code

Article 49. Expiration of Property Rights upon Expiration of Land Use Rights of Certain Persons

49.1. Upon expiration of land use rights of person described in article 44 of this Law, the rights of property owners to use their constructions, other property on that land shall expire unless otherwise stipulated in the law.

CHAPTER SIX

EFFICIENT AND RATIONAL USE OF LAND AND LAND PROTECTION

Article 50. Common Requirements for Efficient and Rational Land Use and Its Protection

50.1. Possessors and users of land shall meet the following requirements for efficient and rational land use and its protection:

50.1.1. to take measures at their expense to preserve land characteristics and quality, to prevent deterioration of soil fertility, deterioration of flora, soil erosion, degradation, soil infertility, extra hydration, soil salinization, its pollution and poisoning (chemical pollution) due to natural causes and human factors;

50.1.2. to restore and maintain at their expenses the land eroded and damaged due to digging it for mining purposes, production of construction materials, building railways and motor roads, mineral exploration and surveying, testing, research works and other activities;

50.1.3. not to cause an adverse impact on the environment and the land when using land, its resources and common mineral resources;

50.1.4. to preserve and protect lands with forests, rare and endangered animals and plants, historical and cultural memorials;

50.1.5. not to undertake activities which may cause an adverse impact on the environment on land possessed or used by other persons.

Article 51. Hygienic Requirements for Land Use

51.1. Citizens, companies and organizations shall, at their own expense, have the environmental impact assessment tests made by relevant professional organizations prior to producing drawing related to land use, introducing new technology, or applying chemical elements or fertilizers which have not been tested in Mongolia previously.

51.2. Citizens, companies and organizations shall undertake activities such as constructing buildings or installing equipment with a negative effect on the ecological balance, human health, health of livestock and wild animals, air, forests, water and plants; storing or burying underground industrial wastes,

sewage, waste water, toxic and other substances upon a permission of the relevant professional organization.

51.3. Prior to undertaking the works referred to in provision 51.2 of this Law, citizens, companies and organizations shall notify governors of relevant levels, inform local residents of their operations, have the boundaries of the work area and limits marked and post permanent warning signs at their own expense prior to commencement.

Article 52. Pastureland, Its Rational Use and Protection

52.1. Citizens Representatives' Khurals of soums and districts, taking into consideration land use traditions, rational land use, conservation and rehabilitation requirements and specifics of pastureland, shall reflect land management activities to the general schedule with pasture separation for winter, spring, autumn and summer settlements and reserve rangelands.

52.2. Summer and autumn settlements and rangelands shall be allocated to baghs and hot ails /neighboring families/ and shall be used collectively. Terms for letting or prohibiting animals graze in winter and spring pastures shall be set forth by soum and district Governor taking into account citizens' proposals and hay yield of the particular year, and shall be pursued by Governors and citizens of bags and khoroos. In order to prevent certain areas of winter and spring pastures from over-grazing during summer and autumn, land use traditions, pasture capacity and regional specifics shall be taken into account, and basing on agreement with soum Citizens Representatives' Khural, the soum Governor may allow collective use of land for herders upon relevant agreements and terms.

52.3. Land with forest resources may be used as pasture in accordance with relevant legislation.

52.4. Citizens Representatives' Khurals of aimags, the capital city, soums and districts may establish pastoral or settled livestock breeding areas within their territories, taking into consideration their environmental, social and economic conditions.

52.5. Pastureland fenced for purposes of developing intensified settled livestock breeding or farming of tamed animals can be given for use to citizens, companies and organizations regardless of the season upon certain agreements and terms.

52.6. Regulations for the general schedule referred to in provision 52.1 of this Law, as well as the size of land and use referred to in provisions 52.4 and 52.5 of this Law shall be determined by Citizens Representatives Khural of relevant level.

52.7. Citizens of Mongolia may jointly possess land under winter and spring settlements through their hot ail communities.

52.8. In the event of a need of evacuation or a movement to territories of other aimags or soums due to natural disasters or other emergencies, the relevant level governors shall make a decision to reach an agreement. When such an agreement between these governors can not be reached, the case shall be resolved by a higher level governor or the Government.

52.9. Citizens Representatives' Khurals of aimags shall determine soum-level reserve rangelands to be used in the events of natural disasters, dzud and droughts, including its boundaries and limits. The Government shall determine aimag-level reserve rangelands, including their boundaries and limits upon requests of aimags.

52.10. Disputes arising in relation with use of pastureland shall be resolved by discussing them on Bag Citizens' Public Khurals. If an agreement can not be reached, the issue shall be resolved by governors of soums.

Article 53. Rational Use and Protection of Hayfields

53.1. Governors of soums and districts, in cooperation with relevant professional organizations, shall undertake land management activities on hayfields and ensure their implementation.

53.2. Each year, governors of soums and districts may allocate territories available for hay cropping to citizens, companies and organizations for their use based on proposals of Bagh or Khoroo Public Khural, and shall ensure their proper implementation.

53.3. It is prohibited to graze livestock on hayfields registered in the unified land territory classification starting from May 15 until the end of the hay harvesting season.

53.4. Citizens, companies and organizations may use pasture lands with appropriate yields like hayfields upon agreement with governors of soums and districts. This does not apply to hayfields registered in the unified land territory classification.

53.5. Soum governor may give land for possession to citizens, companies or organizations, who have been on their efforts and funding improving particular land by installing irrigation systems in hayfields, protecting, fertilizing and forest planting, thus stable increasing yield of hayfields.

Article 54. Rational Use and Protection of Crop Lands

54.1. The Government shall make a decision on creating new crop cultivation areas except those cases stipulated in the provisions 29.2, 29.3 and 29.5 of this Law.

54.2. Persons possessing or using land for crop cultivation shall regularly take measures on protecting the soil, and preventing decrease of its fertility; they shall also have agrochemical tests made on the land in accordance with terms and procedures established by legislation.

54.3. It shall be prohibited to graze livestock and animals on crop lands without prior official permission from the crop land owner, possessor or user.

54.4. Possession or use certificates of crop lands shall be organized by soum governor basing on proposals by bag Citizens Public Khural and resolutions by soum Citizens Representatives' Khural.

Article 55. Rational Use and Protection of Subsoil

55.1. Activities related to use of subsoil shall have been included in national, aimag, and the capital city general land management plans, as well as annual land management plans of the capital city, soums and districts.

55.2. Users of subsoil shall have the environmental impact assessments done, and shall have planned land protection and rehabilitation projects.

55.3. Users of subsoil shall have environmental impact assessments done by an authorized professional organization, prior to commencement of their activities.

55.4. They shall have land protection and rehabilitation projects, as well as annually plans developed on the basis of the project and shall have them approved by the State Central Administrative organization in charge of land issues.

55.5. Implementation of land protection and rehabilitation plans shall be discussed and assessed by Citizens Representatives Khurals of relevant levels.

Article 56. Rational Use and Protection of Lands Under Cities, Villages and Other Urban Settlements and Surrounding Areas

56.1. Land in cities, villages and urban other settlements may be given for possession or use to citizens, companies and organizations only according to general development plans of those cities and villages developed and approved according to the land management plan of the administrative or territorial unit to which this city or village belongs, and as well as according to partial and phased implementation plans developed on the basis of the former plans, and according to procedures set forth in this Law.

56.2. The issue of giving certificates for possession or use of land in cities, villages and other urban settlements where the general development plan has not been developed shall be dealt with based on the land management plan of the administrative or territorial unit and in accordance with procedures set forth in this Law.

56.3. Such factors as infrastructure, development perspectives, hygienic, health, ecological and fire safety requirements, land management, city construction plan and perspectives shall be considered when giving land in cities, villages and other urban settlements for possession or use.

56.4. Relevant level governors shall treat the land in cities, villages and other urban settlements which is not in anyone's possession or use by taking it under protection including posting signs showing the purpose of land use, date when land use is planned to be started, other conditions and requirements in accordance with the land management plan; erecting signs and fences around the plot; and situating guards for it.

56.5. If the relevant state administrative organization in charge of land issues or an official gives a notification to vacate land to citizens, companies or organizations whose land possession or use certificates expired or who have erected constructions and buildings without appropriate permits, the concerned citizens, companies and organizations shall be obliged to vacate the land within a set time period.

56.6. Land possessors shall keep not less than 10% of their land covered by vegetation in order to improve the appearance of the city or village, to meet proper health and sanitary conditions and to protect the land.

56.7 State Central Administrative Organization shall approve planning, construction requirements and rules for developing surrounding land of apartment building, such as green grass, trees, bush and vegetation, children's playground, shade erections, pedestrian path and automobile roads, parking space and other related development.

56.8 Condominium Owner's Associations shall make developments, maintenance and give protection of the surrounding land of apartments.

56.9 No hindrance shall be allowed to be done to the activities of professional organizations for maintaining and repairing engineering mains, operation of equipment on the site.

56.10 Professional organization and the Condominium Association shall have negotiations and agreement made if maintenance and repairs are to make changes to the existing development of the common land [used by Condominium Association], such as digging trench, taking down playground, shade erections, sidewalks and automobile roads.

Article 57. Government Monitoring the Unified Land Fund

57.1. The Government, the state central administrative organization in charge of land issues, Citizens Representatives Khurals, Presidiums and Governors of aimag, the capital city, soums and districts shall monitor implementation of legislation on possession, use and protection of the Unified Land Fund and land legislation within their legitimate rights set forth in this Law.

57.2. Professional control over implementation of land legislation shall be carried out by legally authorized environment monitoring agency and professional organizations including those on vegetation, quarantine, hygiene, geology, mining, etc.

57.3. In case when citizens, companies or organizations have erected constructions and buildings without appropriate permits or possessed the land willfully Governors of aimag, capital city, soum and district shall give notification to vacate the land within a set time period.

57.4. If land has not been vacated within a set time period Governors of aimag, capital city, soum and district shall take measures for its compulsory eviction. Eviction expenses shall be imposed on a guilty person.

57.5. If land has not been vacated according to the provision 57.4 of this law and if it is considered to be necessary the construction and building on land may be confiscated to state property without compensation.

Article 58. The State Certification on Land Characteristics and Quality and Its Issuance

58.1. The State Certification on land characteristics and quality is a comparative evaluation of basic indicators of land characteristics and quality determined at time intervals required in legislation, with basic indicators of the

initial state of land when it was taken under government control; this evaluation is made in order to ensure continuous government control over efficient and rational use of land and protection of land.

58.2. The state certification on land characteristics and quality except crops field shall be made based on the following indicators:

- 58.2.1. thickness of fertile layer of soil;
- 58.2.2. soil humus content (decomposition);
- 58.2.3. soil pollution and intoxication;
- 58.2.4. changes in characteristics of the land surface;
- 58.2.5. changes in the vegetation cover/flora;
- 58.2.6. changes in composition of fauna of pastureland and hayfield.

58.3. The State Central Administrative Organization shall set methods for granting State certification on land characteristics and Quality, develop additional specific criteria for particular land in addition to those indicators listed in Article 58.2;

58.4. An authorized professional organization shall make an assessment on land characteristics and quality, and shall issue the certification.

58.5. State certification on land characteristics and quality shall cover all land within the classifications of the Unified Land Territory once every 5 years and shall be conducted on land upon termination of land possession and use rights of citizens, companies and organizations.

58.6. Land possessors and users shall be responsible for characteristics and quality of their land; the relevant state central administrative organization in charge of land issues and governors of aimags, the capital city and soums shall be responsible for characteristics and quality of state-owned land not granted for possession or use, as well as of land of special needs of aimags, the capital city and soums; and governors of soums and districts shall be responsible for characteristics and quality for the rest of land.

58.7. Land possessors and users shall finance the expenses for state certification on their land characteristics and quality, while expenses for state certification of characteristics and quality of the land to be given for possession and use to citizens, companies and organizations for the first time, as well as that for the rest of land shall be financed from central and local government budgets.

58.8. The Government shall establish the tariffs for State certification of land characteristics and quality.

58.9. The regulation on certification of characteristics and quality of crop fields and determining indicators shall be regulated by the Law on crop fields.

CHAPTER SEVEN MISCELLANEOUS

Article 59. Land Related Responsibilities of the Police

59.1. The police shall have the following responsibilities regarding vacation and eviction from land:

59.1.1. to implement the Governor's decision on eviction if land possession or use rights have expired, or land had been possessed or used with no appropriate permit, or land fee has not been paid within the due time, pursuant to the its authorities and procedures stipulated in the land Law and contract

59.1.2. to take due measures in accordance with relevant procedures if enforcement of land vacation, confiscation or eviction actions were faced with force, opposition, or organized obstacles.

Article 60. Settlement of Land Related Disputes

60.1. The following types of land related disputes shall be settled by the following organizations and officials:

60.1.1. disputes over the State owned land related to its possession and use between citizens, companies or organizations and governors shall be settled by a governor of the higher level;

60.1.2. disputes between citizens, companies and organizations regarding land use and possession, as well as disputes between land possessors and users regarding contract terms and conditions of land use shall be settled by the governor of the corresponding level;

60.1.3. disputes on land characteristics and quality, efficient and rational land use or land protection shall be settled in accordance with legislation by an official in charge of inspection of an appropriate professional organization or the governor of the corresponding level;

60.1.4. disputes over limited use rights for land possessed or used by others as well as over property disputes related to the land shall be settled by the court.

60.2. If citizens, companies or organizations disagree with the decision on land disputes made by the authority or the official referred to in provisions 60.1.1, 60.1.2 and 60.1.3 of this Law, the dispute shall be settled either by the authority or the official of a higher level, or the court.

60.3. If not dealt with in contracts, disputes related to land use by companies with foreign investment shall be settled in accordance with procedures set forth in this article.

Article 61. Cancellation of Illegitimate Decisions and Termination of Illegitimate Actions

61.1. If a decision or action of the relevant state administrative organization in charge of land issues violates land legislation and legitimate interests of land possessors and users, the organization or the official themselves, or an

organization or official of a higher level or the court shall cancel the illegitimate decision and terminate the action.

Article 62. Compensation for Damages

62.1. Persons culpable for causing damage to land shall, regardless of whether they are charged with an administrative or criminal liability, shall be obliged to take measures on elimination of the damages at their expense, or finance the total costs if a professional organization restores the damage.

62.2. Citizens, companies and organizations who acquired land into possession despite clearly visible damage on land, shall repair the damages at their own expense.

Article 63. Sanctions for Violation of Legislation

63.1. State environmental control inspectors shall impose the following administrative sanctions if the following cases of violations of land legislation are not a subject to criminal sanctions:

63.1.1. for violation of provision 8.6 of this Law, a fine in togrogs equal to 1-2 fold the minimum wage level shall be imposed;

63.1.2. for entering and crossing [trespassing] particular land in violation to provision 48.1 of this Law a fine in togrogs equal to 4-8 fold the minimum wage level shall be imposed;

63.1.3. for deliberately preventing a person with rights of limited use of land in possession or use, from using this land for purposes described in provision 48.2 of this Law, a fine in togrogs equal to 1-4 fold the minimum wage level shall be imposed on individuals and a fine in togrogs equal to 10-40 fold the minimum wage level shall be imposed on organizations and economic entities;

63.1.4. for violation of procedures stipulated in provisions 41.1, 43.1, 43.5 and 56.5 of this law, a fine in togrogs equal to 12-20 fold the minimum wage level shall be imposed on individuals and a fine in togrogs equal to 40-80 fold the minimum wage level shall be imposed on organizations and economic along with measures on their eviction;

63.1.5. for failure to comply with procedures stipulated in articles 35.3.6 and 38.1 of this Law, a fine in togrogs equal to 4-10 fold the minimum wage level shall be imposed on individuals and a fine in togrogs equal to 20-40 fold the minimum wage level shall be imposed on organizations and economic along with measures on termination of their contract on land possession or use;

63.1.6. for failure to comply with procedures stipulated in article 35.3.4 of this Law, a fine in togrogs equal to 1-4 fold the minimum wage level shall be imposed on individuals and a fine in togrogs equal to 12-20 fold the minimum wage level shall be imposed on organizations;

63.1.7. for creating a new crop cultivation area without an authorizing decision of the relevant authority, a fine in togrogs equal to 10-20 fold the minimum wage level shall be imposed on individuals and a fine in togrogs equal to 40-80 fold the minimum wage level shall be imposed on organizations and economic along with measures on compensating the caused damage;

63.1.8. for failure to comply with procedures stipulated in articles 52.2, 53.3 and 54.3 of this Law, a fine in togrogs equal to 1-4 fold the minimum wage level shall be imposed on individuals and a fine in togrogs equal to 10-20

fold the minimum wage level shall be imposed on organizations along with measures on compensating the caused damage;

63.1.9. for failure to comply with procedures stipulated in articles 50 and 51 of this Law, a fine in togrogs equal to 5-10 fold the minimum wage level shall be imposed on individuals and a fine in togrogs equal to 20-40 fold the minimum wage level shall be imposed on organizations along with measures on termination of their contract on land possession or use;

63.1.10. for unauthorized use and operations on land under special state needs category, a fine in togrogs equal to 10-20 fold the minimum wage level shall be imposed on individuals and a fine in togrogs equal to 20-40 fold the minimum wage level shall be imposed on organizations along with measures on compensating the caused damage;

63.1.11. for use and disposal of land without an permission of the relevant authority, a fine in togrogs equal to 10-20 fold the minimum wage level shall be imposed on individuals and a fine in togrogs equal to 40-80 fold the minimum wage level shall be imposed on organizations along with measures on compensating the caused damage;

63.1.12. for violation of the article 33.4 of this law by authorized officer, a fine in togrogs equal to 4-10 fold the minimum wage level shall be imposed, along with cancellation of their decisions and measures on compensating the caused damage;

63.1.13. for failure to comply with procedures stipulated in article 47.2 of this Law, a fine in togrogs equal to 4-8 fold the minimum wage level shall be imposed on individuals and a fine in togrogs equal to 20-40 fold the minimum wage level shall be imposed on organizations;

63.1.14. for failure to comply with procedures stipulated in article 56.6 of this Law, a fine in togrogs equal to 2-4 fold the minimum wage level shall be imposed on individuals and a fine in togrogs equal to 20-40 fold the minimum wage level shall be imposed on organizations;

63.1.15. for evidenced failure to comply with or deficient implementation of legal obligations stipulated in this Law by an official, a fine in togrogs equal to 12-20 fold the minimum wage level shall be imposed, along with cancellation of their decisions and measures on compensating the caused damage;

Article 64. The Effective Date of the Law

64.1. This Law shall be effective from 1 January 2003.

CHAIRMAN OF THE
STATE IKH KHURAL

S. TUMUR-OCHIR