

# LAW OF MONGOLIA ON ADMINISTRATIVE AND TERRITORIAL UNITS OF MONGOLIA AND THEIR GOVERNANCE

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## CHAPTER ONE GENERAL PROVISIONS

### Article 1. Purpose of the Law

1.1 The purpose of this law is to regulate the establishment, reorganization, dissolution of the administrative and territorial units of Mongolia and their governing system, competences, principles of operation and structure.

### Article 2. Legislation

2.1 The legislation on the administrative and territorial units of Mongolia and their governance shall consist of the Constitution of Mongolia<sup>1</sup>, the present law and other laws and regulations, which are consistent with them.

### Article 3. Administrative and Territorial Units

3.1 The territory of Mongolia shall be administratively divided into Aimags and Capital city, the Aimag into Soums, the Soum into Baghs, the Capital city into Districts, and the District into Khoroots.

3.2 The Aimag, Capital city, Soum and District are administrative, territorial, economic and social complex with special functions and self-governance, provided by the law.

3.3 The legal status of towns and villages located within administrative and territorial units shall be determined by law.

3.4 A bagh is an administrative unit of a soum and a khoroot is an administrative unit of a District.

<sup>1</sup> The Constitution of Mongolia – published in Issue 1 “State News” 1992

### Article 4. Establishment, Reorganization, and Dissolution of Administrative and Territorial Units

4.1 The establishment, reorganization, and dissolution of Aimag, Capital city, Soum and District shall be determined by the State Great Khural on the basis of a proposal by the respective Citizens’ Representatives’ Khural, local population and with recommendation of the Government, taking into consideration of demographic settlement, economic capability, as well as transportation and communication infrastructure.

4.2 Pursuant to the article 4.1 of this law, the establishment, reorganization and dissolution of Bagh and Khoroot shall be determined by respective Citizens’ Representatives’ Khurals of Aimag and the Capital city.

4.3 The approval and revision of borderlines of Aimags, the Capital city, Soums and Districts shall be decided by the State Great Khural on the basis of a proposal by Citizens’ Representatives’ Khurals of Aimags and the Capital city with the Government submission.

4.4 Differing proposals of Aimags and the Capital city on borderlines shall not influence the decision of the State Great Khural.

### Article 5. Economic Foundation of Administrative and Territorial Units

5.1 The economic foundation of the administrative and territorial units shall consist of land, its subsoil, natural resources, local properties, accumulated assets from production and service incomes of all kinds of property, local taxes, fees and tariffs provided by law.

### Article 6. Budget of Administrative and Territorial Units

6.1 The Aimag, Capital city, Soum and District shall have a budget.

6.2 Types of the budget income, classification of expenditures, financial allocation, budget planning, approval, implementation, and reporting of the budgets of the Aimag, Capital city, Soum or District shall be regulated by the Law on Budget and other relevant laws and regulations.

## CHAPTER TWO GOVERNING SYSTEM OF ADMINISTRATIVE AND TERRITORIAL UNITS

### Article 7. Governing System

7.1 The governing system of the administrative and territorial units shall consist of

the following

7.1.1 Citizens' Representatives' Khurals of Aimag, Capital city, Soum and District;

7.1.2 Public Meetings of Bagh and Khoroo;

7.1.3 In between the sessions of the Khurals and Public meetings specified in the Articles 7.1.1 and 7.1.2 of this law, the Presidium;

7.1.4 Governors of Aimag, Capital city, Soums, District, Bagh and Khoroo.

#### **Article 8. Basic Principles of Governance**

8.1 The governing bodies of the administrative and territorial units shall independently regulate the economic and social life by combining both self-governance and state-governance based on the principles of democracy, justice, freedom, equality, and national unity and rule of law.

8.2 The local self-governing body shall enjoy legal capacity of having a freely elected representative body, to which reports an executive body and shall decide independently their economic and social matters in conformity with the interests of local population and within the framework of existing laws and regulations.

#### **Article 9. Local Self-governing Bodies**

9.1 The local self-governing body shall consist of the following:

9.1.1 Citizens' Representatives' Khurals of Aimag and Capital city;

9.1.2 Citizens' Representatives' Khurals of Soum and District;

9.1.3 Public Meetings of Bagh and Khoroo.

9.2 In between the sessions of the Khurals specified in the Articles 9.1.1 and 9.1.3 of this law, the powers of the Khurals shall be exercised by their respective Presidiums;

9.3 Aimag, Capital city, Soum and District Citizens' Representatives' Khural (hereinafter referred to as "Khural") shall be elected for a term of four years, but this term shall not apply to the Khurals, elected by extraordinary elections.

9.4 Representative of Aimag, Capital city and Soum Khural shall be permanent resident of the respective administrative and territorial units.

9.5 Representative of the District Khural shall be permanent resident of the respective district or employee of organization or economic entity, operating of the district territory.

9.6 Number of Representatives of Khurals, working as civil servants at respective Governor's Secretariat and other departments, sections and agencies attached to the Secretariat, shall not exceed one third of total Representatives of Khurals.

9.7 Civil servants specified in the Article 9.6 of this law, is prohibited to be elected in the Presidium of Khural.

9.8 The mandate of Representatives of Khural shall expire with the approval of mandates of newly elected Representatives of Khural.

#### **Article 10. Number of Representatives of Khurals**

10.1 Number of Representatives of Khural of Aimag, Capital city, Soum and District shall be determined with consideration of demographic settlement and structure of administrative and territorial units:

10.1.1 Khural of Aimag:

a. 25 Representatives for less than 50,000 people;

b. 30 Representatives for 50,000-90,000 people;

c. 35 Representatives for more than 90,000 people.

10.1.2 Khural of the Capital city shall have 45 Representatives;

10.1.3 Khural of Soum:

a. 15 Representatives for less than 2,000 people;

b. 21 Representatives for 2,000-9,000 people;

c. 25 Representatives for more than 9,000 people.

10.1.4 Khural of District:

a. 21 Representatives for less than 20,000 people;

b. 25 Representatives for 20,000-80,000 people;

c. 35 Representatives for more than 80,000.

#### **Article 11. Election of the Chairman of Khural**

11.1 The first session of the Khural of Aimag, Capital city, Soums and District, established by the results of regular election, shall elect the Chairman of the Khural for a term of four years .

11.2 Political parties or coalitions, obtained the majority of votes in the election of respective Khural, shall enjoy the privilege right to propose first a candidate for the Chairman of the Khural.

11.3 A Representative of the respective Khural may propose his/her or other Representative's candidature for the Chairman of the Khural.

11.4 Unanonymous ballot shall be completed for a single candidate nomination

for the Chairman of the Khural, and an anonymous ballot shall be organized for more than two candidates, and the Chairman shall be elected with a majority vote, or more than 50 per cent votes of the Representatives of the respective Khural, taking part in the elections.

11.5 If none of the candidates, specified in the Article 11.4 of this law, receives a majority vote, two candidates with equal or most votes, shall take part in the second polling for run off election. In case none of them received majority votes, a new candidate for the Khural's Chairperson shall be nominated.

11.6 Representatives of the Khural shall vote for only one candidate and the candidates shall have the right to cast their votes.

#### **Article 12. Powers of the Representatives of Khural**

12.1 Representatives of the Khural of Aimag, Capital city, Soum and District shall exercise the following powers:

12.1.1 to participate in decision making process with voting rights;

12.1.2 to question issues, receive answers, submit proposals and recommendations, organize questionnaire on issues of discussion;

12.1.3 to initiate and recommend issues for discussion by the Khural;

12.1.4 to elect the Chairman of the Khural, the Secretary of the Khural's Presidium, as well as the Khural's Presidium, to establish committees and to be elected in and to recommend proposal and analysis to reorganize the composition of committees;

12.1.5 to submit proposal to consider and discuss reports of an organization or official, elected or established by the Khural;

12.1.6 to introduce and publicize laws and regulations as well as decisions of the Khural to the public;

12.1.7 to ensure the implementation of the laws and regulations as well as decisions of the Khural, to protect legal rights and interests of citizens, to question and receive response from the Governor, Deputy Governor, Secretariat and relevant departments, sections and other local authorities on concrete issues concerning the local life and its resolutions;

12.1.8 to monitor and ensure the implementation of Khural's decisions among economic entities and other organizations despite their subordination and ownership;

12.1.9 to cooperate with constituencies on regular basis, to receive their letters, proposals and complaints to submit and receive a response from competent authorities within the timely manner as stipulated by the law.

#### **Article 13. Resignation and Dismissal of the Representatives of the Khural**

13.1 The mandate of the Representative of Citizens' Representatives' Khural of Aimag, Capital city, Soum and District shall expire prematurely if the representative of the Khural:

13.1.1 has deceased;

13.1.2 has submitted his/her request for resignation based on reasonable excuses;

13.1.3 has submitted a medical justification, which states due to a serious illness he or she can not further exercise his or her powers;

13.1.4 has been convicted by a valid court decision for committing a crime;

13.1.5 has moved from the territorial unit.

13.2 The Khural shall adopt a resolution on dismissal of a representative of the Khural pursuant to the Articles 13.1.2, 13.1.3 and 13.1.5, and on resignation pursuant to the Article 13.1.4. Resolution shall not be made as vacancy should not be assumed automatically in situation stipulated by the Article 13.1.1 of this law.

13.3 The mandate of a Khural's representative elected from the by-election shall be equal to the rest term of the previous representative.

#### **Article 14. Warranty of Activities of Khural Representatives**

14.1 The representative of the Khural shall use identity card, badge and official letterheads. Their design and rules of utilization shall be approved by the respective Presidium of the Khural of Aimag, Capital city, Soum and District.

14.2 The Presidium may reward Representatives of the Khural, considering their participation in the Khural's activities. Amount and procedure of granting such rewards shall be approved by the Khural of Aimag and Capital city and requisite funding shall be allocated in local budget.

14.3 Local self-governing body and state administrative organizations and their competent officials shall provide all the necessary supports to the

Representatives of the Khural to exercise their powers.

14.4 The Governor and relevant competent officials shall in advance present and consult their recommendations concerning resignation, dismissal, transfer or change of a Representative of the Khural to the Presidium of the respective Khural.

#### **Article 15. Premature Expiration of Khural's Mandate**

15.1 The mandate of the Khural of Aimag, Capital city, Soum and District shall expire before the term in the following circumstances provided in Article 9.3 of this law:

15.1.1 at least two thirds of the Representatives of the Khural considered that the Khural is not able to exercise its powers and made a proposal to dissolve the Khural prematurely;

15.1.2 majority of the voters of the respective administrative and territorial unit made a decision to terminate the mandate of the Khural prematurely;

15.1.3 the State Great Khural made a decision to reorganize or dissolve the respective administrative and territorial unit.

15.2 Pursuant to the Articles 15.1.1 and 15.1.2 of this law, if the Khural shall approve a resolution on self-dissolution, the mandate of the Khural will terminate prematurely.

15.3 The Khural shall perform open ballot for self-dissolution Procedure.

15.4 In case Bagh Public meeting takes into consideration issues specified in the Articles 15.1.1 and 15.1.2 of this law, its decision shall be valid given at least two third of relevant Bagh households' representations were considered in the Public Meeting.

15.5 Election shall be announced within 30 days given the self-dissolution decision, specified in the Articles 15.1.1 and 15.1.2 of this law, is made.

15.6 Given more than 50 per cent of the Khural's mandate passed, dissolution of the Khural pursuant to the Articles 15.1.1 and 15.1.2 of this law, is prohibited.

#### **Article 16. Budget and Seal of the Khural**

16.1 The Khural of Aimag, Capital city, Soum and District shall have a budget which shall be managed by the Chairman of the Khural on the basis of decisions of the Presidiums of the Khural.

16.2 The Khural of Aimag, Capital city, Soum and District shall have a seal, stamp and official letterheads with established design.

### **CHAPTER THREE**

## **KHURAL, PRESIDIUMS, CHAIRMAN OF KHURAL AND THEIR POWERS**

#### **Article 17. Powers of Bagh and Khoroo Public Meeting**

17.1 The Bagh or Khoroo Public Meeting shall exercise the following powers:

17.1.1 to elect and dismiss the Chairperson and Presidium of Public Meeting;

17.1.2 to discuss proposals on the nomination, dismissal and resignation of the Bagh or Khoroo Governor as well as proposals on the acceptance of the Governor's request for resignation, and deliver these proposals to respective Governor of Soum or District;

17.1.3 to discuss and decide internal organizational issues of the Public Meeting;

17.1.4 to discuss and evaluate Bagh or Khoroo Governor's activities report;

17.1.5 to submit proposals for reward, assistance and support for citizens of the Bagh or Khoroo to the Khural and Governor of the respective Soum and District;

17.1.6 to submit proposals to the Khurals and Governor of the respective Soum or District on temporary exemption of household taxes and other impositions;

17.1.7 to ensure implementation of constitutional and obligatory duties of the citizens of the respective Bagh or Khoroo;

17.1.8 to discuss and deliver to the Khural of Soum or District proposals of citizens' cooperatives, economic entities and organizations on protection, sustainable utilization and possession of natural resources on its territory,.

17.1.9 other powers provided by law.

17.2 In between the Khural sessions, Presidiums shall exercise the powers, other than those specified in the Articles 17.1.1-17.1.3 and 17.1.8 of this law.

#### **Article 18. Powers of Soum and District Khural**

18.1 Khural of Soum and District shall enjoy rights to discuss and make a decision on any economic, social and organizational matters other than those matters legally defined within the powers of the President, State Great Khural, Government, Ministry, and Agency, Khurals of higher level and other competent state authorities and officials. The following matters shall be settled within the exclusive powers of the Khural:

18.1.1 Organization and monitoring matters of the Khural:

- a. powers and authorities of the Representatives of Khural;
- b. elect or replace Chairperson and Presidium of Khural;
- c. establish or discharge committees or interim committees, elect or replace Chair of a committee and review their work reports;
- d. make a proposal and submit to the Governor of Aimag or Capital city to appoint or dismiss a Governor;
- e. approve work plan of a Governor of Soum or District, review and evaluate his/her work and activities;
- f. discuss Governor's response on issues addressed by a Representative of a respective Khural and, if necessary, make a decision;
- g. annul any decision made by the Khural's Presidium that contravenes laws and regulations;
- h. monitor and evaluate Governor's implementation of the legislation and resolutions made by the respective Khural or higher level Khural;
- i. approve budget of the Khural within the framework of a legislation.

18.1.2 Local economic and social development matters:

- a. approve and amend long-term and annual strategy of a local economic and social development;
- b. upon Governor's submission, to discuss, approve or amend a budget of the Soum or District and approve budget implementation report;
- c. establish a development fund with local non-budgetary revenues, identify its sources and function, approve disbursement procedure and operational reports of such fund;
- d. monitor and regulate whether prices and tariffs of local manufacturing products and services are reasonable;
- e. impose certain local taxes, fees and tariffs within the limits and requirements of a legislation;
- f. discuss and make decisions on coordination of local economic and social development strategy with regional development strategy;
- h. approve agreements, programs or other documents of cooperation with regional and other administrative and territorial units;
- i. approve a comprehensive program for sustainable utilization of land, improve soil fertility and measures for environmental protection;
- j. discuss and make a decision on Governor's proposal to safeguard concrete parts of the territory under special protection;
- k. consider Governor's information, make a decision and, if necessary, ratify a regulation consistent with a law on projects or activities by economic entities and organizations of a respective administrative and territorial unit that may have adverse effects on human and animal health or environment;

18.1.3 Local property matters:

- a. exercise local property ownership rights;
- b. approve a list of local public properties and own, use and disburse them consistent with a legislation;
- c. citizens (citizens of Mongolia, foreign citizens and apatride) and other local legal entities may own and utilize local public properties in consistence with conditions and regulations set by law;
- d. approve a regulation on leasing local properties within the framework of the Civil Code;
- e. approve a regulation on transferring local properties into public or other types of properties;
- f. determine percentage of dividends and shares of properties of the locally owned economic entities that will go to local budget as well as adopting regulations concerning possession, utilization and

disbursement of the local budgetary properties, preparatory reserves and other movable and immovable properties;

g. make a decision on establishment, reorganization and discharge of legal entities with local properties and approve a rule thereof;

h. make a decision on establishment of a joint legal entity with economic entities, excluding those entities with local ownership and make or withdraw investment within the framework of a legislation;

i. determine regulations, planning, profit distribution, norms and standards of wages to be pursued by legal entities with local ownership.;

j. organize monitoring of property utilization and preservation;

k. define and monitor the competences of a Governor on ownership, utilization, disbursement and creation of local properties;

l. define competences and operational rules of the local property representative.

18.2 Khural of Soum or District shall exercise other powers provided by law.

#### **Article 19. Powers of Aimag or Capital city Khural**

19.1 The Khural of Aimag or Capital city shall exercise the following powers, in addition to the powers stipulated in the Article 18 of this law:

19.1.1 to discuss and make a decision on proposal made by the Governor of the Aimag or Capital city on issuing bonds;

19.1.2 to discuss and make a decision on Governor's proposal on selling or transferring real estates of the Aimag or Capital city, external to privatization;

19.1.3 to approve or amend local privatization policy and its strategy, and a list of properties which can not be privatized, submitted by the Governor;

19.1.4 other powers provided by law.

19.2 Without prior consent, discussion of and making decision on issues within the powers of Soum and District by Khural of Aimag or Capital city is prohibited.

#### **Article 20. Powers of Presidium of the Khural**

20.1 Presidium of Aimag, Capital city, Soum or District Khural shall exercise the powers stipulated in the articles 18.1.1 "f", 18.1.1 "g", 18.1.2 "d", 18.1.2 "g", 18.1.2 "h", 18.1.3 "c", 18.1.3 "d", 18.1.3 "g", 18.1.3 "h", 18.1.3 "i", 18.1.3 "j", and 18.1.3 "l" in between Khural sessions with a duty to report later and shall exercise the following powers:

20.1.1 to convene, prepare and organize Khural sessions and draft and discuss any proposal and decision related to the procedure;

20.1.2 to administer implementation of laws, decisions of the State Great Khural, decrees of the President, decisions of the Government and its agencies as well as decisions of the Khural and higher level Khural, review and discuss reports and proposals of economic entities and organizations, operating on the territory of the respective administrative unit concerning those decisions;

20.1.3 to provide coordination and management for ensuring discipline and public order on respective territories;

20.1.4 to respond and make decisions on letters, requests and complaints addressed by citizens provided by legislative procedure;

20.1.5 to support and assist in conducting presidential, legislative elections as well as elections of the Khurals of Aimag, Capital city, Soum and District;

20.1.6 to organize discussions among citizens of respective territory on projects and issues addressed by the decision of the competent authorities;

20.1.7 If otherwise stipulated in the law, to discuss and resolve pressing issues of economic and social livelihood of the respective territorial unit;

20.1.8 to submit proposals for state awards and orders;

20.1.9 to ensure protection of citizens' rights, freedom and legal interests, raise public awareness on the laws and decisions of Khural;

20.1.10 to support public initiatives and cooperate with non-governmental organizations, churches and monasteries, placed on the territory of a respective administrative unit;

20.1.11 to coordinate activities of Khural's committees and interim committees and direct activities of its subordinate organizations;

20.1.12 to make decisions on naming streets or naming in honor of individuals, establishing memorials or special awards, determining and protecting historical and cultural heritages, as well as adopting regulations to follow on respective territory;

20.1.13 to inquire and receive a response from the Governor, Deputy Governor, Governor's Secretariat, heads of departments and sections of the Secretariat as well as authorities of state budget organizations on issues concerning local social, economic and citizen's protection of rights and freedoms. Such responses shall be discussed and evaluated;

20.1.14 Other powers provided by law.

20.2 Presidiums of Aimag or Capital city Khural shall provide Presidiums of the Soum or District with professional and methodological leadership and assistance in their activities.

20.3 Presidiums of Khural shall have its staff and define their wages.

20.4 Chief staff shall be a Secretary of a respective Presidium of Khural.

20.5 The Representatives of the Presidium shall submit activity reports to the Khural at least once a year.

#### **Article 21. Committee or Interim Committee of the Khural**

21.1 Khural of Aimag, Capital city, Soum or District shall set up a committee that ensures preparation and evaluation of Khural sessions' agendas as well as monitoring Khural decisions and resolutions' implementation, thus administering Khural continuing and permanent activities.

21.2 The committee shall be established from the Khural Representatives for the mandate term of the Khural, and chairman of a committee shall be elected amongst its Representatives.

21.3 The committee shall report to the respective Khural.

21.4 Khural may establish interim committee or working group charged with research and assessment studies of pressing issues.

21.5 Khural shall determine number and composition of a committee and interim committee, procedures for their establishment, discharge and operation.

#### **Article 22. Powers of Chairman of the Khural**

22.1 Chairman of the Khural of Aimag, Capital city, Soum and District shall exercise the following common powers:

22.1.1 to announce convention of regular and extraordinary sessions of the Khural and submit for approval proposals to ensure its preparation to Presidiums;

22.1.2 to chair sessions of the Khural, ratify Khural's decisions and organize their implementation;

22.1.3 to ensure legal environment for Presidiums, committee, interim committee and Khural Representatives to employ and implement their powers;

22.1.4 to accept a proposal for consideration by the Khural and Presidiums from competent individuals or entities, draft Khural decisions and organize proposals for discussions;

22.1.5 to organize monitoring of the implementation of Khural decisions;

22.1.6 to nominate for a consideration and approval a candidate for a Secretary of the Presidium in Presidiums session;

22.1.7 to chair sessions of the Presidiums and manage its daily activities;

22.1.8 to submit a proposal to appoint, release and discharge of a Governor or submit Governor's request of resignation to the Khural;

22.1.9 to organize implementation and monitoring of laws and regulations on respective territory;

22.1.10 to monitor local budget revenue and disbursement activities;

22.1.11 to take measures to administer and ensure the implementation of the Governor's work plan as well as annual economic and social strategic goals;

22.1.12 to take comments of Soum or District Khural on issue of exploration and mining licenses for minerals for discussion by Presidiums of the Khural and convey its decisions to the Governor;

22.1.13 to organize activities to resolve petitions, proposals and complaints addressed by citizens, economic entities and organizations to the Khural;

22.1.14 to represent the Khural both domestically and internationally;

22.1.15 to present for discussion a proposal for state and other awards for

discussion by Presidium's session and convey its decision to the competent higher authority;

22.1.16 to convey to Governor recommendations of Bagh or Khoroo Public Meeting and decisions of Soum or District Khural on requests from citizens' cooperatives, economic entities and organizations for protection, sustainable utilization and possession of certain natural resources on respective territories;

22.1.17 other powers provided by law.

22.2 Chairman of the Khural of Aimag or Capital city shall organize activities to provide the Khural of Soum or District with professional and methodological management.

22.3 Chairman and Secretary of the Khural of Aimag, Capital city, Soum or District shall be paid employees and Secretary of the Khural may be a Representative of respective Khural.

#### **Article 23. Sessions of Khural**

23.1 The basic organizational form of the Khural's activities shall be session.

23.2 Regular session of the Aimag, Capital city, Soum or District Khural shall be convened at least twice a year and the session of Bagh or Khoroo Public Meeting- not less than three times a year.

23.3 Extraordinary sessions of Khural shall be convened at the request of at least two thirds of the Representatives of Khural or decisions made by Presidium's.

23.4 The first session of the Khural shall be announced and held by the previous Presidium of the Khural within 20 days after the election, and other sessions shall be announced and held by the Presidium of the Khural in power, no less than 15 days before the respective session begins.

23.5 At the first session, Presidium's of Aimag and Capital city Khural, including its Chairman shall be elected with a composition of 7-11 representatives, Presidium's of Soum and District Khural with 5-7 representatives and Presidium's of Bagh and Khoroo Public Meeting with 3-5 representatives respectively for four years mandate.

23.6 The first session of the newly elected Khural shall be opened by senior delegate of the Khural and for other sessions by the Chairman of the Khural, or in his/her absence, by one of Presidium Representatives at the suggestion of the Chairman.

23.7 The session of the Khural of Aimag, Capital city, Soum or District shall be effective with majority quorum of the representatives.

23.8 Deliberate absent or leave of representatives from Khural with expectation reasonable excuse shall be prohibited.

23.9 In case a representative is deliberately absent or left a session, it shall be considered that he/she gives a counter vote in opinion poll.

23.10 All citizens of legal age may participate in sessions of the Bagh or Khoroo Public Meeting. The session in the Bagh shall have a quorum if at least one person from 4 households is represented and the quorum of Khoroo session shall be effective with one person of 20-30 households is represented.

23.11 In regards to nomination, discharge and resignation of a Governor from his/her office, or consider a request on resignation, the session shall be effective if more than 50 percent of all households of the Bagh, except for Baghs in Aimag centre.

23.12 Sessions of the Bagh and Khoroo Khural may be organized in divisions.

23.13 If the first session of the Khural is not convened within 50 days after the regular election and was not able to elect Khural Chairman or nominate Governor, Khural shall be considered dissolved and a new election shall be announced.

23.14 The Khural shall set up its procedure and ratify with a resolution.

#### **Article 24. Rights for Submission a Proposal for Discussion**

24.1 Presidium Members of Khural, representatives, as well as Governor of the respective administrative unit shall enjoy rights to submit a proposal for discussion at the Khural session.

24.2 State and non-governmental organizations, economic entities and citizens may submit a proposal for discussion at the respective Khural of Soum, District, Bagh or Khoroo as well as relevant higher level Khurals.

24.3 Relevant estimation, researches, inquiries and draft decisions of proposals specified in the Articles 24.1 and 24.2 shall be distributed to representatives of Khural one day prior the session. Proposals which do not meet this requirement shall not be discussed by the session.

#### **Article 25. Resolution of the Session**

25.1 The session shall adopt a resolutions on discussed issues and resolutions



shall be approved by the majority vote of the Khural's representatives or by the citizens, participated in the session of Bagh or Khoroo Khural.

25.2 A resolution of Khural or Presidium shall be signed by Chairman and resolution on the election and discharge of Chairman of Khural shall be signed by a representative, who chairs the session.

25.3 Chairman of the Khural of Aimag, Capital city, Soum or District has a right to issue a decree on activities of the Office of the Presidium.

25.4 Resolutions and other decisions, passed by the Khural, that contravenes with existing laws and regulations shall be annulled or amended by the respective Khural or higher level Khural.

25.5 Decisions of the Khural of Aimag or Capital city that contravenes with existing laws and regulations or Governmental decisions shall be annulled or amended by the State Great Khural.

## **CHAPTER FOUR**

### **GOVERNOR AND ITS POWERS**

#### **Article 26. Governor and His/Her Appointment**

26.1 Governor of Aimag, Capital city, Soum, District, Bagh or Khoroo is a state representative responsible for implementing state authority in his/her respective administrative unit.

26.2 Citizens participating in a public Khural of the respective administrative unit shall nominate a candidate for Bagh or Khoroo Governor; A candidate for Aimag, Capital city, Soum or District Governor shall be nominated by a group of political parties and coalitions or representatives in the respective Khural, and a candidate with a majority vote of more than 50 percent representation from citizens or representatives in the Khural shall be presented to competent official for appointment.

26.3 Pursuant to the Article 26.2 of this law, Governor of Aimag or Capital city shall be appointed by the Prime Minister of Mongolia, Governor of Soum or District by the Governor of Aimag or Capital city and Governor of Bagh or Khoroo shall be appointed by the Governor of Soum or District for 4 years mandate. This mandate does not apply to a Governor who is reappointed.

26.4 If a competent official specified in the article 26.3 rejects an appointment of the candidate defined in the Article 26.2, respective Khural shall nominate another candidate within 15 days and competent official shall make a decision for an appointment within 5 days after receiving the resolution of the Khural as provided in the article 26.2 of this law.

26.5 Candidate for Governor of Aimag, Capital city, Soum or District shall meet the following requirements:

26.5.1 higher education;

26.5.2 at least 3 years professional experience in the civil service;

26.5.3 to have no outstanding debts, loans and warranty debts ruled by court decision ;

26.5.4 to have no outstanding tax debts ruled by court decision ;

26.5.5 to have no criminal record.

26.6 Candidate for Bagh or Khoroo Governor shall meet the following requirements:

26.6.1 to have no outstanding debts, loans and warranty debts ruled by court decision;

26.6.2 to have no outstanding tax debts ruled by court decision ;

26.6.3 to have no criminal record.

26.7 In case of appointing a Governor for other place of duty, competent official shall have a prior consultation with Presidium of the respective Khural.

26.8 Governor of Soum, District, Bagh or Khoroo shall be accountable to respective Khural and a Governor of higher level. Governor of Aimag or Capital city shall be accountable to respective Khural and the Prime Minister.

26.9 Governor of Aimag, Capital city, Soum or District shall report to respective Khural and Governor of Bagh and Khoroo to citizens on annual basis.

#### **Article 27. Veto on Decisions of Khural**

27.1 A Governor may have a complete or partial veto on decisions of the Khural that contravenes the Constitution, other laws and regulations or does not apply to his/her competence, as well as having no financial or other resources to be implemented.

27.2 A veto shall be made in written notice within 3 days after the decision was approved and a logical explanation for such veto shall be clearly stated.

27.3 Khural shall discuss a veto within 15 days after receiving it and if the majority of representatives did not accept it, the decision and relevant items

thereof shall enter into force.

27.4 In case Khural's decision is entirely vetoed, its enforcement is entirely and for partial veto, the enforcement of the relevant articles and provisions shall be deferred until it is discussed by the Khural.

27.5 Governor shall not have a veto power against a decision of the respective Khural on Governor's release or discharge.

27.6 In case Governor's veto is rejected by the majority of the Khural's representatives and a Governor considers incapable to implement the decision, he/she may submit a request for resignation to the respective Khural, the Prime Minister or to the Governor of higher level.

#### **Article 28. Powers of Bagh or Khoroo Governor**

28.1 Governor of Bagh or Khoroo shall exercise the following powers:

28.1.1 to promote and organize the implementation of State and Government policies, laws and regulations, decisions and resolutions of the Government, higher level Khurals and Governor;

28.1.2 to organize seasonal works such as hay and forage making, pasturing of livestock, doing preventive medical wash and injections for herds, collecting wool and cashmere, building well, fence and shelter for cattle, planting and harvesting wheat and vegetables, preparation for winter and performing inventory of livestock, fences and wells in due time;

28.1.3 to monitor populations' health condition and undertake measures of treatment, medical and emergency aid for ill persons in collaboration with competent organizations;

28.1.4 to organize the discovery and use of local resources in order to improve population's alimentation supply and support citizens' initiatives regarding this matter;

28.1.5 to conduct a study on citizens' education level, register and enroll children of school age to school, and take measures on bringing drop out children back to school;

28.1.6 to submit proposals to Soum or District Governor to include citizens in need in medical and social care services;

28.1.7 to conduct a study on living standards of local citizens;

28.1.8 to administer delivery of the post and publications to the citizens;

28.1.9 in case drought and dzud or other natural disasters such, to organize resettlement of households and livestock and provide with requisite services. In situations pursuant to the Article 29.1.6. "b" of this law, organizes mobilization of labor force, transport and communication means and properties within the respective territory;

28.1.10 to prepare statistical data in accordance with relevant regulations;

28.1.11 to register population and migration data in accordance with relevant regulations;

28.1.12 to supervise implementation of administrative regulations, organize jointly anti-crime and crime-preventive measures with competent organizations, engage citizens in this work and support their proposals and initiatives;

28.1.13 to monitor implementation of laws and regulations on utilization of natural resources and protection of environment within the powers provided by law;

28.1.14 to organize preventive measures against fire;

28.1.15 to organize within the respective administrative unit corresponding elections of the President of Mongolia, State Great Khural and Khural of Aimag, Capital city, Soum or District, conduct referendum, organize public discussions on draft laws and critical issues of political and social life in accordance with the decisions of the competent authorities;

28.1.16 to receive petitions, opinions and complaints of citizens and respond to their inquiries of their jurisdiction or convey to competent authorities and officials;

28.1.17 to organize public discussions on reports of service providers of administrative unit;

28.1.18 to monitor compliance of permanent and temporary citizens with civic and other duties;

28.1.19 to guide economic entities, organizations as well as permanent and temporary citizens of duties and decisions made by the local and higher level Khurals, ensure implementation of such decisions and

receive support and assistance from them;

28.1.20 to submit proposal for approval to relevant Soum and District Khural or Governor on rewarding citizens and providing assistance to vulnerable citizens;

28.1.21 other powers provided by laws.

28.2 Governor of Bagh or Khoroo shall make orders within the framework of his/her competence and in compliance with other laws and regulations.

28.3 Resolutions made by Governor of Bagh or Khoroo that contravene with other laws and regulations shall be annulled or amended by Governor him/herself, or by Governor of Soum or District.

28.4 Discharge or exempt of a Governor of Bagh or Khoroo shall be on a basis stipulated in the Articles 32.1 and 32.2 of this law.

28.5 Governor of Soum or District shall make a decision on release or discharge of Governor of Bagh or Khoroo on the basis of a proposal made by Public Meeting.

28.6 Governor of Bagh or Khoroo shall use seal and letterheads stipulated by regulations.

28.7 The remuneration of the Bagh or Khoroo Governor and other requisite expenses for their activities shall be included in the budget of the Soum and District and be financed from there.

28.8 Governor of Bagh or Khoroo may have a financial fund to reward and support citizens, maintain normal functioning of their activities and shall report its disbursement to Soum and District Governor and to respective Khural.

#### **Article 29. Powers of Aimag, Capital City, Soum or District Governor**

29.1 Governor of Aimag, Capital city, Soum or District shall have the following common powers within the territory of respective administrative unit:

29.1.1 Planning, budget, financing and registration matters:

a. to submit project on prospective and annual fundamental strategy on economic and social development, performance report, proposals on budget of the administrative unit and amendment thereto for approval by respective Khural and to organize implementation activities for approved programs, budgets and projects;

b. to make proposals on projects and programs of economic and social development of a respective administrative unit, to have approved by competent state authorities and organize its implementation thereof;

c. to prepare reports on financial situation, earnings of citizens, human resources, land use management and planning of respective administrative unit;

d. to supervise and ensure submission of requisite reports in due time, and organize census of citizens and inventory of housing, livestock and domesticated animals, barns and wells as required by legislation and competent authorities;

e. to form a local development fund with non-budgetary resources and administer disbursement of the fund for its purpose;

f. to provide respective administrative unit's taxation authority with management, organize collection and transfer of tax revenues stipulated by legislation and relevant Khural decisions;

29.1.2 Use, possession and disbursement of administrative unit's properties:

a. to organize implementation of state policies, laws and regulations and respective Khural decisions on state and local properties;

b. to develop proposals on privatization and transfer of local fixed assets, and proposals on list, plan, and sources of financing for assets to be acquired and submit proposals to the Khural and its Presidium's session for consideration and approval, administer implementation thereof;

c. to develop proposals on establishment, restructuring and liquidation of locally owned legal entity and submit proposals to the Khural and its respective Presidium's session for consideration and approval and administer its thereof;

d. to set limits and scope of possession, utilization and disburse of assets of locally owned legal entities;

e. to conduct inventory of local properties and submit its result

to Khural and, if necessary, to make proper decisions and administer its implementation thereof;  
f. to report results of privatization of local ownership assets to the Khural;

29.1.3 Development of agriculture, utilization of land and other natural resources and protection of environment:

- a. In addition to implementation of state policies, laws and regulations and Khural decisions, under its jurisdiction to undertake activities for increasing livestock, protecting gene pool and health of livestock, encourage reproduction and veterinary activities, preventing from natural disaster, contagious animal and plant diseases, infestations;
- b. to develop a comprehensive program for sustainable utilization of land, improvement of its fertility, promote agriculture production and other measures for environmental protection and submit to the Khural, as well as administering its implementation of approved programs;
- c. On a basis of existing legislation and decisions by Khural, to let citizens, economic entities and organizations utilize land for special need of the respective administrative;
- d. to administer and ensure implementation of Khural decisions in regards to laws and regulations on land and its subsoil and their implementation for respective administrative unit;
- e. to keep records of integrated land databank and publish reports, make a decision on local land management and implement according to procedures set by the Government;
- f. to submit its recommendation on issue of exploration and mining licenses in a territory of its administrative unit as specified in relevant laws and regulations;
- g. to settle disputes regarding land possession and utilization as specified in provisions of the Law on Land;
- h. to develop a proposal on certain part of the local territory under special protection and submit it to the Khural for approval and undertake measures of its implementation;
- i. to allocate subsoil and exploit it for construction of buildings and facilities underground within the framework stipulated in the law;
- j. to organize activities of creating parks and lawn fields and planting trees and bushes;
- k. to administer implementation of Soum or District Khural decisions concerning requests of citizen's cooperatives, economic entities and organizations for protection, sustainable utilization and possession of certain types of natural resources on the territory of its administrative unit;
- l. to monitor implementation of economic entities and organizations, that possess and exploits local land and operate exploration and mining activities, of their duties for environment protection and rehabilitation stipulated by legislation, and redress their breach thereof;

29.1.4 Infrastructure matters:

- a. to organize and support local and private investments for local, inter-administrative units, and regional productions, services, and investments in constructing buildings and facilities for sociocultural activities;
- b. to undertake measures to provide public transportation services based on all types of ownerships to local population and ensure implementation of regulations and standards to be pursued by such services;
- c. to organize activities of constructing local roads, bridges, flood protection facilities, dams, and canals as well as restoration and install road signs and marks;
- d. to develop local information communications technology, provide local communities with communication services, approve timetable and directions of postal exchange and delivery;
- e. to develop policies for development local energy production, supply, trade and services, city and village housing and accommodation services and public utilities, administer their

implementation thereof;

29.1.5 Socio-cultural services and social security matters:

- a. to administer implementation of state policies, laws, regulations, and respective Khural decisions on education, culture, health, sports and physical education under its territorial jurisdiction;
  - b. unless otherwise specified in the law, to establish, restructure, and cease locally-owned secondary schools and technical school, cultural, fitness and sports organizations;
  - c. to oversee status of territorial sanitation and noncontamination, prevent population from acute infectious and infectious diseases and declare complete or partial quarantine on territories where diseases might break out or detected;
  - d. unless otherwise specified in the law, to monitor compliance of local educational, cultural, health, and sports organizations with standards and norms set by competent authorities regardless their subordination and types and forms of the ownership;
  - e. to develop a social security program of the administrative unit and submit to the Khural for approval, administer implementation of approved programs, establish appropriate stipulated in the laws on labor and social welfare, provide fund disbursement activities with general management;
  - f. to monitor application of methodology and requirements on sanitation, labor protection and occupational safety of industry, economic entity, and organization of the respective territory;
- 29.1.6 Law, public order, security, protection of human rights and liberty of citizens:

- a. to promulgate laws, regulations and decisions passed by the Government, Khural and Governor and ensure their implementation on the territory of a respective administrative unit;
- b. to formulate an interim regulation in accordance with a legislation for total or partial territorial units concerning a rescue and resettlement of a population and livestock, assistance to affected victims and reduction and elimination of post-disaster impacts; to mobilize labor forces, food supply, transportation and communication tools of state and locally owned enterprises,

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economic entities and organizations; to pay compensations in case of natural disasters and other relevant emergencies;

- c. to manage local police and law enforcement organization of a respective administrative unit under its legal jurisdiction;
- d. to organize open welcoming for citizens, review and respond to their petitions, proposals and complaints within its authority;
- e. to provide support for fostering environment to carry out independent judicial and prosecutorial activities on respective administrative unit's territory;
- f. to provide public with truthful information about activities of the local self-governing body and a Governor;
- g. to approve and ensure compliance of timetables of a trade and service organizations;
- h. to represent respective administrative and territorial unit domestically and abroad;
- i. to exercise the powers transferred from the Government to the Governor of Aimag or Capital city, from the Governor of Aimag and Capital city to the Governor of Soum or District in accordance with laws and regulations;
- j. to assign duties and guidance to organizations, operating on administrative unit's territory, regarding local and public interests and ensure their implementation within the framework and limits specified in laws and regulations,

29.2 Within the limits of its powers, a Governor shall issue an order in conformity with the laws and regulations.

29.3 In case Governor's order contravenes existing laws and regulations, Governor him/herself shall amend or annul or an order issued by Governor of Soum and District shall be amended or annulled by Governor of Aimag or Capital city; an order issued by the Governor of Aimag or Capital city shall be amended or annulled by the Prime Minister.

29.4 Within the term of his/her office, Governor shall not hold concurrently any paid position or work irrelevant to his/her duties stipulated by law.  
29.5 Governor of Aimag, Capital city, Soum or District shall use seal, marks, and letterheads made in compliance with established regulations.

**Article 30. Powers of a Governor of Aimag or Capital city**

30.1 In addition to the common powers specified in the Article 29 of this law, Governor of Aimag or Capital city shall exercise the following powers:

- 30.1.1 to guide and manage work of Soum or District Governor;
- 30.1.2 to appoint or dismiss Deputy Governor of Aimag or Capital city in consultation with respective Khural Presidiums;
- 30.1.3 to formulate policies on expansion of manufacturing and services through the development of infrastructure in the respective administrative unit and submit for approval to the Khural and implementation of passed resolutions thereof;
- 30.1.4 on a basis of the Khural's decision, to make a decision on establishing joint ventures of foreign investment with participation of local ownership and granting land possession and utilization by these investors;
- 30.1.5 to monitor activities of identifying land possession, granting utilizable land, mineral prospecting, exploration, exploitation and extraction activities as specified in laws and regulations;
- 30.1.6 to supervise activities for territorial defense, disaster management and public order, cooperate with army units, national security and other judicial organizations on its territory of the administrative unit;
- 30.1.7 to register, inform and oversee citizens' migration;
- 30.1.8 to establish Governor's Council and approve its staff composition and working procedures;
- 30.1.9 to monitor decrees passed by Governor of Soum and District conform to existing laws and regulations;
- 30.1.10 if provided by legislation, to appoint and dismiss a chair of budgetary organizations, operating on the territory of respective administrative unit, in consultation with authorities of relevant state administrative organizations;
- 30.1.11 if provided by legislation, to appoint and dismiss a chair of locally owned or with participation of locally owned legal entities, in consultation with the Khural;
- 30.1.12 to develop a proposal to take particular areas of the administrative unit territory under special protection and submit to Khural for approval;
- 30.1.13 to submit a recommendation on issue of mineral exploration and mining licenses on its territory of administrative unit based on the decision of the Khural Presidiums;
- 30.1.14 based on the methodology adopted by state administrative central organization in charge of educational matters, to assess and enforce a variable cost per child for secondary schools and kindergartens;
- 30.1.15 other powers provided by law.

**Article 31. Powers of Soum or District Governor**

31.1 In addition to the common powers specified in the Article 29 of this law, Governor of Soum or District shall exercise the following powers:

- 31.1.1 to guide and manage work of a Governor of Bagh or Khoroo;
- 31.1.2 to appoint and dismiss Deputy Governor of Soum or District in consultation with respective Khural Presidiums;

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31.1.3 on a basis of a legislation, to make a decision on land ownership by citizens of Mongolia and land possession and utilization by organizations, economic entities and citizens.

31.1.4 to grant a land parcel in accordance with exploration and mining license from the competent authority;

31.1.5 to collect taxes, payments and fees; to transfer to respective budgets specified by law, and to undertake activities for raising administrative unit's budget;

31.1.6 to monitor hygiene and sanitation conditions of the administrative unit's service organizations and determine their timetable;

31.1.7 to provide urban and rural citizens with fresh water, disposal and cleaning waste and sewage facilities, plant trees, bushes, shrubs and fruit trees, illuminate streets and plazas, build flood protection

facilities, dams and canals; to consider citizens comments for decision making on building constructions, changing road and communication lines;

31.1.8 If provided by legislation, to appoint and dismiss staff of budgetary organizations, operating on its territory of the administrative unit in consultation with a chief of a relevant higher authority'

31.1.9 Other powers provided by law.

#### **Article 32. Release, Dismissal and Resignation of Governor**

32.1 Provided a reasonable justification and health problem, Governor requests a resignation, higher level Governor or Prime Minister shall release Governor from the duty before an expiration of the mandate.

32.2 Provided that Governor's criminal charge has been passed by court ruling, or Governor breached legislation, or failed to perform its duties, respective Khural shall deliver proposal for dismissal of a Governor before mandate expiration to a higher level Governor or Prime Minister.

32.3 Higher level Governor or Prime Minister shall review submitted proposal stipulated in the Article 32.2 of this law within 5 working days, and shall pass a decision to dismiss or not.

32.4 Upon a higher level Governor or Prime Minister decision to dismiss a Governor based on justifications provided in the Article 32.2 of this law, a decree shall be delivered to the respective Khural, and Khural shall discuss it with a vote within 15 days and give its verdict.

32.5 Governor may submit its request for resignation in written form.

32.6 At least one third of Khural representatives signed a proposal for Governor's dismissal and submitted to Chairman of the Khural, then the Khural shall discuss the proposal within 15 days at its session and shall rule on a majority vote basis.

32.7 After dismissal and release of the Governor, Deputy Governor shall execute Governor's duties and hold responsibility until a new Governor is appointed.

32.8 In case a Prime Minister, higher level Governor, and the Khural did not accept the proposal specified in the Articles 32.4 and 32.6 of this law, a proposal for Governor's dismissal shall not be resubmitted within one year. This provision shall not apply to a Governor whose criminal charge was ruled with a valid court decision.

### **CHAPTER FIVE**

#### **GOVERNOR'S OFFICE AND ITS RELATION TO ORGANIZATIONS OTHER THAN GOVERNOR**

##### **Article 33. Governor's Office**

33.1 Office of a Governor of Aimag, Capital city, Soum District shall be Secretariat, which shall perform the following functions:

33.1.1 to initiate strategic planning, program and project on economic and social development for the respective territory; to manage, monitor, evaluate and provide policy guidance thereto;

33.1.2 for Governor in exercising its powers, to assist and coordinate organizational, legal and business matters as well departments and units of the Secretariat and support in providing leadership to local administrations;

33.1.3 to supply Khural, Governor and lower level administrative organizations with requisite information;

33.1.4 to deliver, administer implementation, monitor and oversee implementation of legislation, decisions of a Government, Khural and Governor to the relevant organizations and officials;

33.1.5 to maintain documents and correspondence of a Secretariat and administer addressing petitions, proposals, and complaints from citizen;

33.1.6 Within legislative framework, to organize training, retraining and professional development for administrative staff, supplement their working environment and social security;

33.1.7 to ensure regular operation of the Khural, administer material needs thereof;

33.2 Government shall determine organizational structure of a Secretariat and personnel limits, Secretariat of a Governor in Aimag, Capital city, Soum or District shall have departments and units;

33.3 A Governor shall appoint Head of a Secretariat from nominated candidates from citizen in line with legislation;

33.4 Head of a Secretariat of Aimag, Capital city, Soum or District shall, in

consultation with a respective Governor, shall appoint and dismiss, set salaries for staff within the framework of composition and staff limits set by the Government,

33.5 Head of Secretariat and heads of departments and units parallel to Governor's Secretariat of Aimag, Capital city, Soum or District shall pass regulations within their competence and use stamp, seal and letterheads in accordance with set procedures.

#### **Article 34. Relations with Government**

34.1 Governor of Aimag or Capital city shall associate with the Government according to the following procedures:

34.1.1 on annual basis, to submit its report to the Government and the Government shall review and provide evaluation in its meeting;

34.1.2 to deliver draft proposal or projects for social and economic development for its administrative units' territory to respective Government member in charge of such issues; upon its disapproval, convey to the Prime Minister;

34.1.3 to receive recommendations and assistance from a Government in formulating policy on comprehensive territorial and regional socioeconomic development;

34.1.4 to participate in Government meetings on issues pertaining to the socio-economic development of a respective territory and convey personal view and positions.

34.2. Unless otherwise provided by law, Government may delegate certain its functions related with decentralization, development and disbursement of a local budget, as well as regional development planning to Aimag and Capital city Khural and Governors.

#### **Article 35. Relations with State Administrative Central Organizations**

35.1 Governor of Aimag or Capital city shall associate with state administrative central organization according to the following procedures:

35.1.1 to cooperate and coordinate their activities with state administrative central organization in organizing implementation of state policy and enforcement of a legislation.

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35.1.2 to make joint decision with respective territorial state administrative central organization and administer implementation of sectoral and inter-sectoral policy on its respective territorial unit.

35.1.3 to have direct communication with a Prime Minister for joint implementation of an integrated policy with state central administrative authority on territorial unit's long-term development.

35.1.4 to convey its proposal on socio-economic issues of a respective territory that is beyond its local capacity to solve to State Great Khural, Government and state administrative central organization.

35.1.5 to submit and have state administrative central organization to address issues of socio-economic development, city development planning, environmental protection, services rendered to public by State.

35.2 Aimag or Capital city Khural and Governor's decisions, made within its competence that conform to legislation, shall not be hindered in its implementation by state administrative central organization.

35.3 Unless otherwise provided by law, disputes between state administrative central organization and Governor of Aimag or Capital city shall be settled by the Government.

35.4 Khural and Governor of Soum or District shall submit issues stipulated in the Articles 35.1.3 and 35.1.4 of this law, to Khural and Governor of Aimag or Capital city **for resolution.**

#### **Article 36. Relations with Khural and its Presidiums**

36.1 Governor of Aimag, Capital city, Soum or District shall associate with the Khural and its Presidiums of its administrative unit according to the following procedures:

36.1.1 to organize implementation of resolutions and decisions passed by the Khural and its Presidiums in conformity with a legislation, and report on results;

36.1.2 to submit an annual report to the Khural on activities for implementing legislation as well as work plan of a Governor and their results;

36.2 Disputes between Khural of Soum or District and Governor shall be settled by Governor of Aimag or Capital city in consultation with its respective



Khural; disputes between Khural of Aimag and Capital city and a Governor shall be settled by a Member of Government in charge of local administrative governance.

36.3 Exercise of a Governor's powers granted by legislation and running daily activities shall not be hindered by Khural and its Presidiums.

**Article 37. Cooperation between the Administrative and Territorial Units**

37.1 To make joint discussion and decisions with Khural, its Presidiums and Governors for raise funding and capacity for comprehensive social and economic development of the administrative and territorial units Khurals, their Presidiums and Governors or submit proposals to the relevant higher level authorities for approval.

37.2 Disputes, raised during governing activities of the administrative and territorial units between Governors of Soum, District, Bagh and Khoroo shall be settled by respective higher level Governor. Unless otherwise stipulated by law, disputes between Governors of Aimag and Capital city shall be settled by Prime Minister.

**CHAPTER SIX**

**WARRANTY OF ADMINISTRATIVE AND TERRITORIAL UNITS' GOVERNING ACTIVITIES**

**Article 38. Warranty of the Powers of Khural and Governor**

38.1 In case Aimag, Capital city, Soum and District Khural Chairman and Governors of all levels discharged in the process off regular elections, they shall receive one time allowance equal amount of 6 months' salaries of their previous posts.

38.2 In case Aimag, Capital city, Soum and District Khural Chairman and Governors of all level, who have worked more than 25 years in civil service, one time pension aid shall receive equal amount of 12 months' salaries of their previous posts.

38.3 All organizations and officials, residing on respective territory shall assist Khural, its Presidiums and Governor in exercising their powers.

38.4 A working condition and opportunity of a Khural, its Presidiums, Governor and their staff shall be warranted by legislation and decisions of the Government.

38.5 Governor shall impose administrative penalty on citizens, organizations and officials violated administrative regulations on its territorial unit based on validity provided in legislation, or to transfer proposal for such penalties for consideration to competent organizations or officials.

38.6 Chairman of Bagh or Khoroo Khural shall receive a monthly bonus equal to 30 per cent of a monthly salary of a respective level Governor.

**Article 39. Implementation of Administrative and Territorial Units' Management Decisions**

39.1 Decisions taken by Khural and Governor within their competence that conform to a legislation shall be enforced on the respective territory, and organizations, officials and citizens are obliged to implement thereof.

39.2 Damages arisen due to failure to implement decisions of a Khural and Governor shall be fully compensated at fault individual.

**Article 40. Compliance Administrative and Territorial Units' Management with Legislation**

40.1 Khural and Governor's decisions on organizing meetings, demonstrations, assemblies and referendums shall conform to legislation.

40.2 Decisions of economic entities and organizations, operating on the respective territory that contravene with legislation as well as decisions of a Khural and Governor shall be annulled by a Governor.

40.3 Decisions of economic entities and organizations operating on the respective territory but registered at the higher level organizations finds contradictory to legislation as well as decisions passed by Government, Khural and Governor, a Governor shall submit his/her proposal to amend or annul such decisions to the competent authorities and shall postpone implementation until requisite decision had been made.

**Article 41. Liability of the Khural and Governor**

41.1 Compensation disputes for damages imposed to citizens and organizations by unlawful decision making by Khural or Governor shall be determined by court ruling.

41.2 Khural and Governor shall hold legal accountability and responsibility for their decisions.

**Article 42. Entry into Force**

42.1 This law enters into force after ten days of its official publication in the “Turiin medeelel” (State News) bulletin.

42.2 Articles 26.5.1 and 26.5.2 of this law shall enter into force when newly elected Representatives begin exercising their powers resulted from 2008 regular election of the Citizens’ Representatives Khural of Aimag, Capital city, Soum or District.

**TS.Nyamdorj**

SPEAKER OF THE PARLIAMENT