

May 17, 2012 Ulaanbaatar city  
**ON FEES FOR NATURAL RESOURCES USE**  
**/Revised version/**  
**CHAPTER ONE**  
**GENERAL PROVISION**

Article 1. Purpose of the law

1.1. The purpose of the law is to regulate relations concerning imposition of fees for use of natural resources on citizens and business entities, its collection in the treasury, reporting, and setting rates for funds to be spent on measures of environmental protection and restoration of natural resources out of revenues from fees for natural resources use.

Article 2. Legislation on fees on use of natural resources

2.1. The legislation on fees on use of natural resources comprise the Constitution of Mongolia, the Environmental protection law, the General taxation law, this law and other legislative acts enacted in compliance with these laws.

Article 3. Scope of the law on fees for use of natural resources

3.1. This law shall regulate relations concerning royalties of using resources of natural plants, water, forest, and animals.

3.2. Specific law shall regulate relations concerning royalties on using land and its subsoil resources.

Article 4. Payers and their registration

4.1. Citizens of Mongolia, foreign citizens, stateless persons and legal entities shall be the payers who use natural resources.

4.2. Corresponding law and regulations shall regulate the issue of granting license to exploit natural resources.

4.3. Officer appointed by soum or district Governor shall provide tax office of relevant level with information on citizens, business entities and organizations that hold license to exploit natural resources within 10 days from the date of issue of the license and the tax office shall register the payer based on that information.

4.4. The information stated in paragraph 4.3 of this law shall include required indicators as citizen's name, civil registration number, title and address of entity or organization, state registration and registration number, location, period and amount of exploitation and capacity of equipment.

*/This paragraph was amended according to the law of June 3, 2022/*

**CHAPTER TWO**

**ITEMS SUBJECT TO FEES AND DETERMINATION OF VALUES**

Article 5. Items subject to fees for use of plants

5.1.The items subject to fees shall be plants of the following classifications.

5.1.1.very rare plants;

5.1.2.rare plants;

5.1.3.abundant plants.

Article 6.Items subject to fees for use of water and mineral water resources

6.1.The items subject to fees shall be water, mineral water and its vicinity used for the below-mentioned purposes.

6.1.1.water used for human consumption, household, industrial and service

purposes;

6.1.2.water used for mining industry;

6.1.3.mineral water used for treatment, nursing, heating, production and service

6.1.4.water and mineral water vicinities exploited for production and service including production of energy, transportation, and breeding of water animals or plants.

Article 7.Items subject to fees for use of forest resources

7.1.Fees shall be imposed on timber, wood and firewood of all types used for any purpose which was produced from forest.

7.2.Fees shall be imposed on accompanying forest resources including pine nuts, mushrooms, wood resin, needles, branches, seeds, and birch sap.

Article 8.Items subject to fees for use of animal resources

8.1.The items subject to fees shall be animals used for the following purposes.

8.1.1.hunted or trapped for household purposes;

8.1.2.hunted or trapped for industrial purposes;

8.1.3.hunted or trapped for special purposes /cultural, scientific and for special fee/.

## CHAPTER THREE

### VALUE OF FEE ASSESSMENT AND ITS DETERMINATION

Article 9.Value of fee assessment for use of natural plant resources

9.1.The value of fee assessment for use of natural plant resources shall be calculated at percentage of ecological and economic value that estimates the number and amount of particular plant species in the unit that expresses the current weight of plant in kilograms.

Article 10.Value of fee assessment on water and mineral water resources

10.1.The value of fee assessment on use of water resources shall be determined as follows:

10.1.1.from the sales income of production and services in case use of water and water environment for production and service purposes including hydroelectric plants, waterway transport, breeding of water animals and plants, tourism, and physical training;

10.1.2.by cubic meter for water use for purposes of human consumption, household, production, service and business purposes of citizen, business entity and organization;

10.1.3.by cubic meter for water used for mining purposes.

10.2.The value of fee assessment on use of mineral water shall be determined as followings.

10.2.1.by number of man/days treated for fee on use of mineral water for treatment purpose;

10.2.2.by cubic meter for fees on use of mineral water for production and service purposes.

Article 11.Value of fee assessment on use of forest resources

11.1.The fees on production and use of utility wood and firewood shall be assessed as followings:

11.1.1.by dense cubic meter for utility wood and firewood produced from principal part of growing trees by cutting them down and by loose cubic meter for tips and branches;

11.1.2.by loose cubic meters for preparation of firewood by clearing stumps, fallen trees, tips, twigs and branches from forest.

11.2.By liter for birch sap and by kilogram for other accompanying forest resources when producing accompanying forest resources.

Article 12.Value of fee assessment on use of animal resources

12.1.The fees on use of animal resources shall be assessed as followings:

12.1.1.by kilogram for fish caught for production, cultural and scientific purposes;

12.1.2.by pieces of hunted or trapped birds and fish from citizens who hunt birds or catch fish for household purpose;

12.1.3.by ecological and economic value of each headcount of animal for fees on other animals hunted for household purpose;

12.1.4.by sales income on production and use of medicinal and other raw materials by catching animals alive and breeding through domestication;

12.1.5.by ecological and economic value of each headcount of animal for fees for purchase of live animals from the state for ownership;

12.1.6.by current foreign market value or reference price of hunting game set by competent authority for fees of animals hunted by foreign citizens or exported, live abroad for any purpose.

Article 13.Revenue part of fees to spend on environmental protection and rehabilitation measures and its types

13.1.The revenue part /hereafter to be refer to as "revenue part of fees/ of fees to spend on environmental protection and restoration measures shall comprise monetary fund equal to certain percentage of fees on use of natural resources allocated with the purpose of providing financial resources required to protect environment and restore natural resources.

13.2.The revenue part of fees shall be accrued from the below-mentioned revenues from fees on use of natural resources:

13.2.1.revenue from use of natural plant resources;

13.2.2.revenue from use of water and mineral water resources;

13.2.3.revenue from use of forest resources;

13.2.4.revenue from use of animals and wildlife resources;

13.2.5.revenue from use of land resources.

13.3.The corresponding law and regulation shall regulate the percentage of revenue part of fees to spend on environmental protection and natural resource restoration measures out of the revenue from mineral resource royalties and environmental contamination.

13.4.Citizen's representative khural of aimag, capital city or soum shall approve plan on environmental protection and natural resource restoration measures funded and implemented through revenues from fees stated in paragraph 13.1 of this law as submitted by Governor.

*/This paragraph was amended according to the law of April 22, 2022/*

13.5.The Government shall approve procedure on collection, expenditure and reporting on revenue part of fees.

## CHAPTER FOUR

### RATES OF FEES

Article 14.Rates of fees on use of natural plant resources

14.1.The amount of fees on use of natural plant resources shall be assessed at the below-mentioned percentages of ecological and economic value in the value of assessment of fees stated in article 9 of this law and set in Tugrugs.

	Percent of ecological and economic value in the value of assessment of fees	
	Minimum	Maximum

1. Very rare	25	30
2. Rare	15	20
3. Abundant	5	10

14.2. Citizen's representative khural of aimag or capital city shall set amount of fees on each species of plant considering plant resources, distribution, importance, features of organs to be used for, market demand and supply within the range of amount of fees stated in paragraph 14.1 of this law.

#### Article 15. Rates of fees on use of water and mineral water resources

15.1. The rates of fees on use of water and mineral water resources shall be set within the following range per unit of value of assessment of fees stated in paragraph 10.1 of this law:

	Fee range /at percentage of ecological and economic value/			
	Surface water		Underground water	
	Minimum	Maximum	Minimum	Maximum
1. Per cubic meter of water used for human consumption and household purposes	1	10	5	20
2. Per cubic meter of water used for heavy industry purpose	10	40	20	50
3. Per cubic meter of water used for	10	30	20	60
4. Per cubic meter of water used for roads and repair purposes	10	30	20	70
5. Per cubic meter of water used for light industry purpose	10	30	10	40
6. Per cubic meter of water used for food industry purpose				
Spirit, beer, alcoholic beverage/	10	40	20	40
Soft drinks and purified water	10	30	10	20
others	1	10	1	20
7. Per cubic meter of water used in mining industry				
mineral extraction and concentration	10	40	20	60
copper concentrate and fluorspar	10	50	20	70
water drainage	10	15	15	50

d/reconnaissance and prospecting drilling	10	30	20	50
8.Per cubic meter of water used for energy production purpose	10	15	15	30
9.Per cubic meter of water used for crop	1	20	10	40
10.Per cubic meter of water used by business entity, organization or citizen	10	30	15	50
	Range of fees assessed on amount of sales from production and service			
	Surface water			
	Minimum		Maximum	
11.Hydroelectric plant, ship transport service	1		30	
12.Production, recreation, and water sport facilities including breeding of animals and	1		20	

15.2.The amount of fees on use of mineral water shall be set within the following range per unit of value of assessment of fees stated in paragraph 10.2 of this law.

	Unit of measurement	Fee range /in tugrugs/			
		Hot		Cold	
		Min	Max	Min	Max
1. For use for treatment and nursing purposes	Man/day	100	500	50	400
2. For use for production and service purposes	Cubic meters	500	1500	1000	3000

15.3.The Government shall set rates of fees on use of water resources within the range stated in paragraph 15.1 of this law and citizens' representative khural of aimag and capital city shall set amount of mineral water use fees within the range stated in paragraph 15.2 of this law, respectively.

15.4.The amount of fees to be imposed shall be set at 50 percent of heating payment of the particular area if hot spring is used without influencing its principal use.

15.5.Citizens' representative khural of aimag and capital city may set amount of fees to be imposed at up to 50 percent of heating payment of the particular area if natural hot water is used for heating purpose and up to 50 percent if it is used for service and business purposes, respectively.

15.6. The rates of fees stated in paragraphs 15.3 and 15.5 of this law shall be set by the authority differently in line with environmental and climatic conditions and features of the area considering water and mineral water resources, quality, type and purpose of use.

#### Article 16. Rates of fee on use of forest resource

16.1. The fees on production and use of utility timber and firewood from forest shall be assessed at 6.0-30.0 percent of ecological and economic value of forest resources for utility wood stated in subparagraph 11.1.1 of this law and at 2.0-10.0 percent for firewood stated in 11.1.2 of this law.

16.2. The Government shall set the amount of fees on production and use of utility timber and firewood from forest differently for each forest region within the range stated in paragraph 16.1 of this law considering ecological and economic value of forest resources and distance to transport as well as types of trees.

16.3. The distance of transport of timber for business entity and organization that produce utility timber and firewood from forest shall be calculated from the timber production site to the lower warehouse, the timber production site to the central point of the business entity and organization if there is no warehouse, and the timber production site to the soum or aimag center closest to the timber production site if there is no central point, respectively.

16.4. Fees equal to three-fold increase in fees imposed on logging of larches in the particular area in case of logging of pines by business entity and organization under special permit.

16.5. The state central administrative body in charge of environmental issues shall set the amount of fees on use of accompanying forest resources.

#### Article 17. Rates of fees on use of animal resources

17.1. The maximum and minimum range of rates of use of animal resource shall be set as follows.

17.1.1. by 700-1000 Tugrugs per kilogram for fish caught for production, cultural and scientific purposes;

17.1.2. by 20-40 percent of ecological and economic value of each headcount of particular animal for fees of other animals hunted for household, production, cultural, and scientific purposes;

17.1.3. by 10-20 percent of sales for fees on production and use of medicinal and other raw materials by catching animals live and breeding through domestication;

17.1.4. by 90-100 percent of ecological and economic value of each headcount of animal for fees for purchase of live animals from the state and its ownership;

17.1.5.by 80-90 percent of current foreign market price of the game or standard price set by competent authority for fees on animal resources hunted by foreign citizens;

17.1.6.by 80-90 percent of current foreign market price or standard price set by competent authority for fees on animals exported, live abroad.

Article 18.Rates of fees out of revenue from natural resources use to spend on environmental protection and natural resources restoration measures

18.1.The minimum range of rates to spend on environmental protection and natural resources restoration measures in the current budget year out of the revenue from fees stated in paragraph 13.2 of this law shall be set as follows:

Types of revenue from natural resources use	The minimum range of rates to spend on environmental protection and natural resources restoration measures
1.Revenue from natural resources use	15 percent
2.Revenue from animal resources use	percent
3.Revenue from land resources use	15 percent
4.Revenue from forest resources use	85 percent
5.Revenue from water and mineral water resources use	35 percent

*/This paragraph was amended according to the law January 23, 2015/*

18.2. */This paragraph was annulled according to the law dated October 25, 2012/*

## CHAPTER FIVE

### EXEMPTION AND REDUCTION OF FEES

Article 19.Exemption and reduction of natural plant resources use fees

19.1.Payers who used natural plant resources for the following purposes and uses shall be exempt from the fees:

19.1.1.citizens who used abundant plants for household use;

19.1.2.citizens, business entities, organizations that used rare and abundant plants for research purposes;

19.1.3.citizens, business entities, organizations that used natural plants for hay and pasture purposes in areas other than agriculture zone;

*/This subparagraph was amended according to the law of January 29, 2016/*

19.1.4.citizens, business entities, organizations that engaged in intensified animal husbandry with natural plants in agricultural zone.

*/This subparagraph was added according to the law of January 29, 2016/*

19.2.Fees for use of abundant plants may be reduced and Citizens' representative khural of aimag or capital city shall set fee reduction conditions, terms and rates considering conditions and uniqueness of the particular area.

Article 20.Exemption and reduction of water resources use fees

20.1.Payers who used water resources for the following purposes shall be exempt from the fees:

20.1.1.for drinking and household uses of population, watering pasture livestock, animals and irrigation of household vegetable fields;

20.1.2.for extinguishing fires and fight other natural disasters;

*/This subparagraph was amended according to the law of February 2, 2017/*

20.1.3.for using water for production process recycle;

20.1.4.for using surface water for agricultural industry.

*/This subparagraph was added according to the law of January 29, 2016/*

20.2.Fees for payers who used water for the following purposes may be exempt at rates set by the Government.

20.2.1.use of water after desalination of its mineralization and hardness for drinking and household purposes;

20.2.2.restoration of natural resources by protection, breeding, acclimatization of animals and cultivation of plants;

20.2.3.by the given amount in case waste water is treated and recycled;

20.2.4.use of accumulated water from snow, rain and flood for animal husbandry and crop production purposes.

Article 21.Exemption and reduction of forest resources use fees

21.1.Fee payer shall be exempt if forest rangers in territory of border areas used utility timber for construction of their own workplace.

21.2.Fees may be reduced if citizens, business entities, organizations produce utility timber and firewood by forest clearing methods including maintenance, collection of stumps, fallen trees, tips, twigs and branches and the Government shall set rates of reduction based on proposition of the state central administrative body.

Article 22.Exemption and reduction of animal resources use fees

22.1.Fees shall be exempt in the following cases:

22.1.1.catching of animals for acclimatization and breeding purposes;

22.1.2.organized hunting and neutralization of animals by professional organization at decision of the state central administrative body in charge of health and environmental issues for the purpose of exterminating epidemic center;

22.1.3.wolf hunting with purposes of protecting livestock and reducing the headcount in certain territory;

22.1.4.temporary catching of animals for scientific purpose for samples, measurement, branding, ringing and set research tools.

22.2.Fees may be reduced up to 80 percent for hunting with purposes of reducing the headcount of wildlife, regulating sex ratio and culling and for cultural and scientific research.

## CHAPTER SIX

### IMPOSITION, PAYMENT AND REPORTING OF FEES

#### Article 23.Payment of natural resources use fees

23.1.Soum and district Governor shall appoint an officer authorized to collect fees on natural resources use.

23.2.Revenue from natural resources use fees shall be paid to the local treasury within 10th of the following month and the annual report on fees shall be submitted to the relevant tax office within 10 January of the following year for final settlement.

23.3.The officer authorized to collect fees appointed by soum or district Governor shall deliver to the soum and district treasury every time fees are collected in cash.

#### Article 24.Preparation of annual report on fees

24.1.The annual report on fees shall be prepared within the below-mentioned deadline.

24.1.1.The officer authorized to collect fees on use of plants, water, forest, and animal resources shall submit the report on fees to soum or district tax office within 10 January of the following year;

24.1.2.The tax office of soum or district shall submit its report to the tax office of aimag or capital city within 15 January of the following year;

24.1.3.The tax department of aimag or capital city shall submit its report to the tax office of aimag or capital city within 01 February of the following year;

24.1.4.The state administrative body in charge of tax issues shall submit its consolidated report on fees within 15 February of the following year.

24.2.The state administrative body in charge of tax issues shall approve the form of fee report.

## CHAPTER SEVEN

### LIABILITIES AND RESOLUTION OF DISPUTES

Article 25.Liability for the violators of the law

25.1.In case that the actions by a public servant violating this Law do not have a criminal nature, he/she shall be subject to liabilities specified in the Law on Civil Service.

25.2.Any person or legal entity violating this Law shall be subject to liabilities specified in the Criminal Law or the Law on Violations.

*/This article was amended according to the law of December 4, 2015/*

THE CHAIRMAN OF THE STATE GREAT KHURAL OF MONGOLIA  
DEMBEREL.D