

# **LAW OF MONGOLIA ON LAND**

## **CHAPTER ONE**

### **General provisions**

#### **Article 1. The purpose of the Law**

The purpose of this Law is to regulate relations with regard to land possession and use by citizens, economic entities and organizations, as well as other relations related to this.

#### **Article 2. Legislation on Land**

1. The Legislation on Land consists of the Constitution of Mongolia, this Law and other legislative acts, enacted in compliance with them.

2. The relations pertaining to the use and protection of entrails of the earth, forest, atmospheric air, flora and fauna, and other natural wealth, shall be regulated by other legislative acts.

#### **Article 3. Definitions**

The following terminology, applied in this Law, shall be interpreted as mentioned below:

1/ “land” is the special layer comprising the land surface, its soil, forests, water and vegetation;

2/ “land ownership” is to have certain land in disposition within the legally permitted framework, with the right to administer it;

3/ “land possession” is to have certain land in disposition within the legally permitted framework and according to contract, but without the right to administer it;

4/ “land use” is a concrete activity to use any land characteristic within the legally permitted frameworks and according to the contract, but without the right to administer it;

5/ “to vacate land” is to freely return the land to the owner as it is stipulated in the Law or contract on land possession or use, removing constructions and other property on it, and rehabilitating the land upon the expiration of the right to possess and use it.

#### **Article 4. National principles applied for land**

The State shall apply for land the following principles:

1/ land shall be under state control and protection;

2/ the land fund shall be unified;

3/ to ensure fairness and equity in land ownership, possession and use;

4/ to use the land efficiently and rationally for basic purposes, according to the conditions and procedures stipulated in the Law;

5/ not to undertake any activity which may cause harm to the health of the population, contradict the protection of nature and national security, and may endanger environmental balance.

#### **Article 5. Land ownership**

1. Land shall be state property, except the land owned by citizens of Mongolia.
2. The land other than that for pasture and common use, as well as for state special needs, shall be owned only by citizens of Mongolia.
3. Relations pertaining to land ownership by citizens of Mongolia shall be regulated by relevant law.

#### **Article 6. Land possessor and user**

1. Citizens of Mongolia who have reached 18 years /hereafter “citizen”/, economic entities and organizations may possess and use land in compliance with this Law.
2. Land may be used in rent for certain time-span by foreign juridical persons, citizens and individuals without any citizenship on terms and conditions, and procedures, specified in law.

#### **Article 7. Land rent**

1. Citizens, economic entities and organizations possessing or using land shall pay rent in conformity with the relevant laws and contract.
2. The procedure on defining the land rent maximum and minimum amount, land rent concessions and rent exemption shall be determined by law.
3. Land rent shall become a local budget revenue. An appropriate part of this revenue shall be spent on land protection and rehabilitation.

#### **Article 8. Maps of boundary register, land and water names, as well as land fund, land and water names**

1. Each administrative and territorial unit shall possess maps of boundary register, land and water names, as well as of land fund.
2. Maps of boundary register, land and water names with the scale not less than 1:25000 shall be approved by the State Great Khural, and maps of land fund shall be approved by the Government competent organization.
3. The Government competent organization shall keep a complete set of nation-wide maps of administrative and territorial units' boundary register, land and water names as well as the land fund, and the relevant level Governors shall keep the maps of aimaks, capital city, soums and districts.
4. The Government competent organization shall determine the procedure for keeping, using and reflecting changes in the maps of boundary register, land and water names, as well as for the land fund.

5. Traditional names of land and waters shall become official upon approval of administrative and territorial units' boundary register, and land and water names by the State Great Khural. The official names of land and waters shall be changed only by the State Great Khural.

6. It is prohibited in official documents and activities to use double names for land and waters, to translate them from Mongolian into other languages, or transcribe in the pronunciation of other languages.

## CHAPTER TWO

### Mongolian Land Unified Fund and its basic classification

#### **Article 9. Land Unified Fund**

1. All land within the state boundaries of Mongolia constitute the Land Unified Fund, notwithstanding the type of ownership.

2. The Land Unified Fund shall be classified taking into consideration the main purpose and demand for land use.

#### **Article 10. Basic classification of the Land Unified Fund**

Mongolian Land Unified Fund shall be classified as following:

- 1/ agriculture land;
- 2/ lands of cities, villages and other settlements/ dwelling places;
- 3/ roads and communication areas;
- 4/ forest fund land;
- 5/ water fund land;
- 6/ reserve land.

#### **Article 11. Agriculture land**

Agriculture land includes pasture, farming and planted areas, virgin land, agricultural construction sites and other land used for agricultural production.

#### **Article 12. Land of cities, villages and other settlements**

1. Land of cities, villages and other settlements include constructions and buildings, industrial and mining sites, and common tenure land of cities, villages and other settlements.

2. Common tenure land shall include streets and squares of cities, villages and other settlements, as well as recreation areas, sport sites, parks, cemeteries, waste disposal and cleaning sites not in possession of individuals, economic entities and organizations.

### **Article 13. Roads and communication areas**

Roads and communication areas include the land outside of cities, villages and other settlements for utility infrastructure: energy, power, heat and water, as well as for communication, information and roads.

### **Article 14. Forest fund land**

The forest fund land includes forests, places with sacsa\*\*\* logged areas, forest glade and zone, afforestation area and certain areas adjacent to the forest enabling its expansion.

### **Article 15. Water fund land**

Water fund land includes lakes, ponds, rivers, salt-marshes streams, springs, permanent snow, area under snow rivers and land around waters.

### **Article 16. Reserve land**

Reserve land includes all land not pertaining to the land stipulated in provisions 1,2,3,4, and 5, Article 10 of this Law.

## **CHAPTER THREE**

### **LAND FOR SPECIAL NEEDS**

#### **Article 17. Land for special needs**

1. Mongolia shall have land for special needs.
2. Aimaks, the capital city, soums and districts may have land for special needs.
3. National, aimak, capital city, soum and district land for special needs may be taken away from any classification of Land Unified Fund.

#### **Article 18. The purpose of taking away land for special needs**

1. National land for special needs shall include the following lands:
  - 1/ national land under special protection;
  - 2/ border strip-land
  - 3/ land given for ensuring national defense and security;
  - 4/ land given to foreign diplomatic missions and consulates, as well as to resident representatives' offices of international organizations;
  - 5/ national road land for moving animals for centralized procurement;

6/ inter-aimaks reserve range land used in case of natural and climatic disaster and other emergencies;

7/ national fodder fund's haying areas;

8/ national recreation areas (for countryside trips, tourism, mineral water and sanatoriums);

9/ scientific and technological testing and experimenting sites, and territories for natural and climatic permanent monitoring.

2. Aimaks, the capital city, soums and districts may take away land for special needs for the purposes mentioned in items 1, 5, 6, 7 and 8, provision 1 of this Article.

#### **Article 19. Taking away land for special needs.**

1. The State Great Khural shall decide the issue of taking away land for special needs for the purposes indicated in items 1, 2, 4, provision 1 of Article 18 of this Land Law, and the Government shall decide the issue of taking away land for special needs for other purposes.

2. Aimak and the capital city citizens' Representatives' Khurals shall decide the issue of taking away land for special needs by aimaks, the capital city, submitted by the appropriate administrative and territorial units' Governors. Soum and district citizen's Representatives' Khurals shall decide the issue of taking away land for special needs by soums and districts.

### **CHAPTER FOUR**

#### **POWER OF STATE AND LOCAL SELF-GOVERNING ORGANIZATIONS REGARDING LAND RELATIONS**

#### **Article 20. Power of the State Great Khural**

The State Great Khural shall exercise the following power regarding land relations:

1/ to formulate the state global land policy;

2/ to determine the land rent maximum and minimum amounts;

3/ to take away for special needs the lands indicated in items 1,2 and 4, provision 1, Article 18 of this Law, and to determine their size and limits;

4/ to determine the size and location of territories to ++ used by foreign juridical persons and international organization for executing international regional projects and activities, as well as for creating special economic zones.

#### **Article 21. Power of the Government**

1. The Government exercises the following power regarding land relations:

1/ to implement the state global land policy, to organize and ensure enforcement of land legislation;

2/ to determine land rent amounts based on the land base evaluation and the amount defined by the State Great Khural;

3/ to take away for special needs the land other than the one indicated in items 1, 2 and 4, provision 1, Article 18 of this Law, and transfer them to the competent organizations, as well as to determine their size, limits and use procedure;

4/ to define limits of land indicated in provision 4, Article 20 of this Law and the procedure for its use;

5/ in consultation with the State Great Khural to make decisions on land to be used by foreign juridical persons;

6/ to pay compensation in case of changing or taking back the land in connection with taking away land for special needs;

7/ to define the procedure for Land Unified Fund registration and reporting, as well as for land characteristics and quality certification;

8/ to make decisions on giving state border adjacent land for temporal use by foreign economic entities and organizations for grazing animals and haying.

2. The Government competent organization shall exercise the following power regarding land relations:

1/ to organize the implementation of land legislation and Government decisions on land relations;

2/ to define the land pertaining to the land basic classification and to transfer land from one classification to another;

3/ to formulate a national general land organization plan, to ensure comprehensive management of land organization activities and to undertake inter-administrative and interterritorial units land organization;

4/ to decide in compliance with the legislation the issue of giving to individuals, economic entities and organizations the land for special needs other than the one indicated in item 4, provision 1, Article 18 of this Law;

5/ to put together annually the Land Unified Fund register and the report on land distribution, utilization, protection and their transfer, and submit them to the Government.

## **Article 22. Power of citizens' Representatives' Khurals and Governors of aimaks and the capital city**

1. Aimak and the capital city citizens' Representatives' Khurals shall exercise the following power regarding land relations:

1/ to control the implementation of land legislation and their decisions, and if necessary, to hear the report of Governor on this matter;

2/ to consider and approve annual program on land possession, use and protection on their territories, submitted by Governors;

3/ based on the Governors proposal, to take away for special needs of aimaks, the capital city land other than in possession of citizens, economic entities and organization, and to define its size, limits and its use procedure;

2. Aimak and the capital city Governors shall exercise the following power regarding land relations:

1/ to implement the state global land policy on their territories, to organize and ensure the enforcement of land legislation;

2/ in consultation with the Government competent organization to draft the annual program for land possession, use and protection in aimaks and the capital city, and submit it to aimak and the capital city citizens' Representatives' Khurals;

3/ upon the agreement with relevant soum and district Governors to submit to aimak and the capital city citizens' Representatives' Khurals the issue of taking away for aimaks and the capital city special needs land other than that in possession of citizens, economic entities and organizations;

4/ to make decisions on the use of land by citizens, economic entities and organizations for undertaking activities and production vital for the development of the aimak and the capital city, taking into consideration the opinions of soum and district Governors;

5/ to make decisions on the use of land for special needs of aimaks and the capital city by citizens, economic entities and organizations;

6/ to review and put together annually the soum and district registers of the territorial Land Unified Fund and reports on land distribution, use, protection and their transfer for their further submission to the Government competent organization.

## **Article 23. Power of soum and district citizens' Representatives' Khurals and Governors**

1. Soum and district citizens' Representatives' Khurals shall exercise the following power regarding land relations:

1/ to control the implementation of land legislation and their decision in this respect, if necessary to consider the Governors' report on this matter;

2/ to approve the territorial land organization plan submitted by Governors;

3/ to take away for special needs of soums and districts the land other than in possession of citizens, economic entities and organizations, and to define its size, limits and its use procedure.

2. Soum and district Governors shall exercise the following power:

1/ to organize and ensure land legislation implementation in their territories;

2/ to control efficient and proper use and protection of land and its wealth in their territories by land possessors and users in compliance with legislation and contracts;

3/ to make proposals in the course of drafting the annual programs for land possession, use and protection in aimaks and the capital city, and upon their approval to draft soum and district land organization plans for submission to the soum and district citizens' Representatives' Khurals;

4/ to submit to soum and district citizens' Representatives' Khurals the issue of taking away for soums and districts special needs the land other than in possession of citizens, economic entities and organizations;

5/ to make decisions on land possession and use by citizens, economic entities and organizations;

6/ to make decisions on possession and use of soum and district land for special needs by citizens, economic entities and organizations;

7/ upholding the procedure and rent amounts determined by legislation, to organize imposition and collection of land rent from land possessors and users;

8/ to present to the higher level Governors soum and district registers of Land Unified Fund and report on land distribution, use, protection and its transfers.

#### **Article 24. Power of bague and khoroo citizens' Common khurals and Governors**

1. Bague and khoroo citizens' Common khurals shall exercise the following power regarding land relations:

1/ to regulate common use of land not in others' possession and use;

2/ to determine seasonal schedule of range land not in others' possession and use, and to distribute haying areas;

3/ to ensure meeting of hygienic and sanitary requirements of common land in bague and khoroo territories;

4/ based on the Governors' proposal, to distribute among citizens for wintering and spring stay land not yet possessed or used by others;

5/ to hear Governors' reports on the control over meeting requirements for efficient and proper use and protection by land possessors and users;

2. Bague and khoroo Governors shall exercise the following power regarding land relations:

1/ to control and ensure the implementation of land legislation and common requirements for efficient and appropriate use and protection of land;

2/ to ensure the implementation of decisions, related to land use and protection, made by higher level organizations as well as bague and khoroo citizens' Common khurals;

3/ to assume responsibility for common land use, protection, hygienic and sanitary issues in their territories.

## CHAPTER FIVE

### Land organization, Land Unified Fund register and report

#### **Article 25. Land organization and its financing**

1. Land organization is a set of measures targeted at implementing land legislation, efficient and proper land use and protection, building up economic potentials and resources of land and creating geographic favourable environment.

2. Land organization measures shall be taken by professional organizations empowered by the Government competent organization based on the decision of the Government, its competent organization and all level Governors, as well as at the request of land possessors and users.

3. Land organization procedure shall be defined by the Government.

4. Decisions on land organization taken by the Government, its competent organization and all level Governors shall be obeyed by relevant citizens, economic entities and organizations.

5. Land organization shall be financed the following way:

1/ land organization related to determining and altering administrative and territorial units' boundary register, as well as defining regional development perspectives, shall be financed from the State centralized budget;

2/ land organization of aimaks, the capital city, soums, districts, cities, villages and other settlements - from local budgets;

3/ land organization on the land possessed by citizens, economic entities and organizations - from their own sources.

#### **Article 26. Land Unified Fund register and report**

1. Distribution of Land Unified Fund to land possessors and users, their land size, evaluation, rent, characteristics, quality and protection measures shall be reflected in the Land Unified Fund by each administrative and territorial unit.

2. The map depicting land distribution, use, protection and its transfers shall be attached to the Land Unified Fund report.

3. The Government shall approve Land Unified Fund register and report formats and the procedures for filling them out.

4. Soum and district Governors shall compile Land Unified Fund reports as of October 1 and submit them by November 15 of each year to aimak and capital city Governors. Aimak and the capital city Governors shall present Land Unified Fund reports to the Government competent organization by December 31 of each year.

5. The Government competent organization shall submit to the Government the Land Unified Fund report of the year by February 15 of the next year.

## CHAPTER SIX

### Land possession and use

#### **Article 27. Land possession**

1. The State owned land shall be given on contract bases for possession by Mongolian citizens, economic entities and organizations with terms and conditions stipulated in this Law.

2. Citizens, economic entities and organizations may possess land jointly.

3. Citizens, economic entities and organizations shall enjoy prevailing right to possess land in their resident soum and district territories.

#### **Article 28. Size and location of land given for possession**

1. The size of land possessed by citizens for their family needs (residential lots) shall not exceed 0.05 hectares.

2. Citizens resident in cities, villages and other settlements besides their residential lot may possess land for growing vegetables, fruits, berries and fodder for family needs.

3. The maximum size and location of land in soums and districts given for possession by citizens for the purposes stated in provision 2 of this Article shall be determined by soum and district citizens' Representatives' Khurals taking into consideration population density, land resources and the number of family members.

4. The land for growing vegetables, fruits, berries and fodder may be located next to the residential lots, or separate land in special areas may be given for this purpose.

5. The maximum size of land given for possession to economic entities for production and services shall be determined by the Government.

6. The size and location of land given for possession to concrete economic entities shall be determined by soum and district Governors, taking into consideration their productive capacity.

7. The size and location of land given for possession to organizations shall be determined by soum and district Governors, taking into consideration their activities' requirements.

#### **Article 29. Duration of land possession**

1. State owned land may be possessed by Mongolian citizens, economic entities and organizations on contract basis for up to 60 years. A one time extension of land possession contracts shall not exceed 40 years.

2. Citizens' right of possessing the state owned land may be inherited.

3. In case of death, or legal missing person status for the land possessor, or in case he is pronounced dead, his heir-at-law may transfer the land possession contract to his name and continue possessing the land until the expiration of the initial contract term of land possession.

#### **Article 30. Application for land possession and its acceptance**

1. Citizens, economic entities and organizations shall apply for land possession to soum and district Governors.

2. In the application for land possession citizens shall indicate the following:

- 1/ family and first names, residential address, citizen's passport and registration numbers;
- 2/ a map showing the jurisdiction to which the land to be in possession belongs, its size and location;
- 3/ land possession purpose and duration.

3. In the application for land possession economic entities and organizations shall indicate the following:

- 1/ name, jurisdiction in which the land is located, address and location of economic entities and organizations;
- 2/ copies of economic entity contract, statutes and state registration certificate number;
- 3/ production capacity, basic technical and economic indicators;
- 4/ a map showing the jurisdiction to which the land to be in possession belongs, its size and location;
- 5/ type of production and service, purpose of land possession, duration, as well as land use and protection project;
- 6/ outlined map of concrete economic entity production location.

4. Citizens', economic entities' and organizations' credit-worthiness guarantees shall be enclosed to their application for land possession.

5. Upon receipt of an application, soum and district Governors shall inform the public about the applicant and determine the existence of other parties interested in possession and use of land in question.

### **Article 31. Taking decisions on land possession**

1. Soum or district Governors, having reviewed circumstances mentioned in items 2, 3, 4 and 5, Article 30 of this Law shall take decision on giving that particular piece of state owned land to the applicant citizen, economic entity or organization.

2. The name and address of the person possessing the land, the size and location of the land, as well as the form of possession (sole or joint) shall be indicated separately in the decision. If the land possession is evaded, then its reason and justification shall be clearly stated in the decision.

3. If there are two or more persons applying for possession of a particular piece of land, the soum or district Governor makes the choice taking into consideration the jurisdiction in which the person is resident, his credit-worthiness, the land possession purpose and use efficiency, and impact on the environment and the land itself.

4. Disputes related to land possession shall be settled as stipulated in item 1, provision 1, Article 56 of this Law.

### **Article 32. Contract on land possession and the procedure of concluding it.**

1. Based on the decision on land possession, and official nominated by soum or district Governor shall conclude a contract on land possession with the citizen, or economic entity, or organization, issue him a certificate and register the certificate in the National Register.

2. Land possession contracts shall indicate the following:

- 1/ justification for land possession /appropriate decision/;
- 2/ land possession purpose;
- 3/ a map showing the size, location and limits of the land;
- 4/ land characteristics and quality;
- 5/ land possession duration;
- 6/ land rent amount and payment term;
- 7/ rights, duties and responsibilities of the parties to the contract;
- 8/ agreement on the way of handling construction and other property on the land upon the termination of land possession rights;
- 9/ conditions and procedures for compensated change of possession of land or its return;
- 10/ other issues, if necessary.

3. The national certificate of characteristics and quality of the land given for possession shall be attached to the land possession contract.

4. Parties to the contract annually shall review the implementation of the land possession contract.

### **Article 33. Land possessors' rights and duties**

1. Land possessors shall enjoy the following rights:

- 1/ to use the land for the purpose indicated in the land possession contract;
- 2/ to get from the land owner the national land characteristics and quality certificate;
- 3/ the damage caused to the land shall be compensated by the guilty person according to the established procedure;
- 4/ during the contract term to give the land to others for use with the consent of the person who made the decision on land possession;

5/ to have the contract extended for further possession of the land upon the expiration of the contract term, subject to proper assumption of the duties stipulated in the land legislation and the land possession contract.

2. Land possessors shall assume the following duties:

1/ to comply with the terms and conditions of the land possession contract;

2/ to implement the land legislation related to efficient and proper use and protection of land, nature and environment protection, as well as meet land use common requirements of the state competent organization to citizens, economic entities and organizations;

3/ to pay the land rent in fixed time;

4/ to get the national land characteristics and quality certificate along with the established procedure;

5/ not to infringe others' rights and legitimate interests related to land use and possession.

#### **Article 34. Termination of land possession rights**

1. Land possession rights shall be terminated in the following cases:

1/ land possession contract term expiration;

2/ in case of the death or legal missing person status for the land possessor, or in case he is pronounced dead, subject to determination of absence of any heir-at-law, or in case of the dissolution of the economic entity or organization;

3/ if a land possessor requests to cancel the land possession contract;

2. In the following cases the person who made the decision on land possession may terminate in an administrative way the particular land possession rights:

1/ if the land possessor regularly fails to assume the duties stipulated in land legislation, or seriously infringes the land possession contract;

2/ if it is ascertained that land use affects human health, environment protection and national security;

3/ if land is taken away for national special needs.

#### **Article 35. Land evacuation upon the termination of possession rights**

1. Land possessing citizens, economic entities and organizations shall vacate the land within 90 days upon the termination of land possession rights if not stipulated otherwise in the Law or land possession contract, and place the land at the soum or district Governors' disposal.

2. The cost of land evacuation according to the justifications indicated in provision 1 and items 1 and 2, provision 2 Article 34 of this Law, shall be covered by the person possesse land.

3. If the land possessor requests to cancel the land possession contract based on the conclusions made by the professional organization that land in his possession due to natural disaster or other

emergencies cannot be used further for the initial purposes, if necessary, the land recovery cost may be paid from the state or local budget. However, the person possessed land shall remove the constructions and other property from the land.

#### **Article 36. Compensated change or return of land in possession of others prior to the contract term expiration**

1. The Government competent organization, upon prior agreement with land possessor, may submit to the Government a proposal on compensated change or return for national special needs of the land possessed by citizens, economic entities and organizations as a whole or some parts of it, prior to the expiration of the contract term.

2. The Government shall make an appropriate decision, taking into consideration the proposal of the Government competent organization about compensated change or return of land in others' possession and its prior agreement with the land possessor.

3. The Government competent organization, based on the Government decision mentioned in item 2 of this provision, shall conclude through soum and district Governors a contract with the land possessing citizen, economic entity or organization, and change with compensation or take back the land.

4. In case of compensated change or return of the land held in a residential lot, its evacuation shall take place only during the period from may 15 until September 15.

5. Disputes related to compensated change or return of land in others' possession shall be settled as stipulated in items 1 and 4, provision 1, Article 56 of this Law.

#### **Article 37. Compensation in case of change or return of land in others' possession prior to the expiration of the contract term**

1. If not stipulated otherwise in the Law or contract, land possessing citizens, economic entities and organizations after concluding the contract, mentioned in provision 3, Article 36 of this Law, shall vacate the land within 90 days from the day of concluding the contract, and place it at soum and district Governors' disposal.

2. Based on the prior agreement with the land possessor, the price of constructions and other property inseparable from the land and calculated at the existing rate, and the cost of vacating it shall be reflected in the decision on compensated change or return of the land in others' possession.

3. The compensation to be paid to the land possessor shall be transferred from the state centralized budget to the soum or district Governor's disposal by the time of concluding the contract, mentioned in provision 3, Article 36 of this Law.

4. If not stipulated otherwise in the contract, mentioned in provision 3, Article 36 of this Law, soum or district Governor shall pay the compensation to the citizen, economic entity or organization possessing land within 60 days after the day of concluding the contract.

5. If not stipulated otherwise in the contract, mentioned in provision 3, Article 36 of this Law, the land possessor shall vacate the land within 30 days after the day of receiving the compensation.

6. The compensation for change or return of possessed land shall not affect the land user.

## **Article 38. Land use**

1. State owned land may be given for use to citizens, economic entities and organizations for concrete purposes, on concrete terms and conditions, on contract basis and in compliance with legislation.

2. If not stipulated otherwise in the law, notwithstanding possession by others, the following land shall be in common use;

1/ water sources on pasture land and salt-marshes;

2/ common tenure land of cities, villages and other settlements;

3/ roads and communication areas;

4/ forest fund land;

5/ water fund land.

3. The procedures, mentioned in provisions 1, 3 and 4, items 1-8 and 10, provision 2, Article 30 and Article 31, 32 shall be applied in case of applying for land use and its consideration, as well as defining the contents of the land use contract and its conclusion.

4. The land possessor may give the land as a whole or some parts to others for use with the consent of the person who made the decision on land possession.

5. In the case, mentioned in provision 4 of this Article, the land possessor and user shall conclude a contract, in which items 1-8 and 10, provision 2, Article 32 of this Law shall be reflected and be adjusted to land use.

## **Article 39. Land users' rights and duties**

Land users shall enjoy the rights and assume duties indicated in items 1 and 2, of provision 1 and provision 2, Article 33 of this Law, as well as other legislation.

## **Article 40. Use of land in others' possession or use for common tenure or special needs**

1. State owned land in others' possession or use may be used for common tenure or special needs for concrete period of time with payment or without it, based on the prior agreement and contract between the Government, aimak, the capital city, soum, district governors and the land possessor or user.

2. The Government, due to a social inevitable need, may take in an administrative way a decision on using for common tenure and special needs with payment or without it the land in others' possession or use until such a need disappears.

## **Article 41. Transfer of rights for the property on land upon termination of land possession and use rights**

1. If not stipulated otherwise in the Law, or in the contracts, mentioned in Article 32, provision 3 of Article 36, and in provision 3, Article 38 of this Law, the right of the owner of the construction

and other property on the land to use them on this land shall terminate with the termination of his land possession and use rights.

2. If not stipulated otherwise in the contracts, mentioned in Article 32, provision 3 of Article 36, and provision 3 of Article 38 of this Law, when the land possession and use rights terminate the citizen, or economic entity, or organization which possessed or used land shall bring the land to the initial condition.

3. Disputes that arise about constructions and other property on the land, when the land possession and use rights terminate, shall be settled as it is stipulated in item 4, provision 1, Article 56 of this Law.

#### **Article 42. Entry and transit through land in others' possession and use**

1. If land in others' possession and use is not protected by putting special prohibiting signs, building fences and others, any person may enter and transit through it, without causing any damage to the land.

2. The design of the prohibiting sign, mentioned in provision 1 of this Article, and its application procedure shall be determined by the Government competent organization.

#### **Article 43. Use with limited rights of the land in others' possession and use**

1. To create conditions for use and protection of real property, its owner enjoys the right to demand to use with limited rights the land in others' possession and use with the purpose of building roads, electric, communication lines, exits and other utility infrastructure crossing others' land, as well as for other purposes.

2. The right for use of land with limited rights shall emerge based on the negotiated agreement between the land possessor, user and the person insisting on using the land with limited rights.

3. If the use of land by others with limited rights makes impossible for the land possessor and user to use the land for the initial purposes, he has the right to demand the user of land with limited rights to stop using it.

4. Disputes arising from using land with limited rights shall be settled according to item 4, provision 1, Article 56 of this Law.

#### **Article 44. Preserving the right to use land with limited rights**

1. In case of the transfer to another person of the right to possess and use certain land, the others' right to use that land with limited rights shall be preserved.

2. It is prohibited to transfer the right to use land with limited rights to a person other than the owner of the property, mentioned in provision 1, Article 43 of this Law.

#### **Article 45. Land use by foreign or international juridical persons**

1. In case there is a need to define the size and rent of land used by foreign country diplomatic missions, consulates and international organizations' resident representatives' offices the principle of reciprocity with the relevant country shall be applied.

2. The condition and procedure of using land by foreign country diplomatic missions, consulates and international organizations' resident representatives' offices shall be determined by the international agreements of Mongolia.

3. The land use by foreign juridical persons shall be decided according to the procedure, stipulated in item 5, provision 1, Article 21 of this Law.

#### **Article 46. Land use by economic entities with foreign investment**

1. If not stipulated otherwise in the Law on Foreign Investment, relations connected with land use by economic entities with foreign investment shall be regulated by the relevant provisions of this Law.

2. The amount of rent for land used by economic entities with foreign investment shall be the same as for similar land used by Mongolian economic entities. If necessary, the land rent rate of that certain region or the investing country may be applied.

3. The matter of providing land rent concessions or land rent exemption for certain periods to economic entities with foreign investment, using the technology aimed at land protection and rehabilitation, or favourable for the environment, shall be decided in compliance with the Law, mentioned in provision 2, Article 7 of this Law.

4. If two or more economic entities with foreign investment apply for use of the same land, the selection shall be made based on the following indicators:

- 1/ land use purpose;
- 2/ guarantee of capital capacity to run the production;
- 3/ advantages of techniques and technology to be used for production;
- 4/ impact on nature, environment and land;
- 5/ proposal on land rent amount.

#### **Article 47. Land use by foreign citizens, individuals without any citizenship**

1. Foreign citizens and individuals without any citizenship resident in Mongolia /staying for more than 183 days / may use land for economic and production purposes for certain period of time, paying the rent, and according to other conditions and procedures stipulated in the law.

2. Foreign citizens and individuals without any citizenship may use land on contract basis for periods up to 5 years. A one time extension of the land use contract shall not be for more than 5 years.

3. Foreign citizens and individuals without any citizenship cannot use land for pastoral animal husbandry and farming.

4. Before applying for land use foreign citizens and individuals without any citizenship shall get a recommendation from the competent organization in charge of foreign citizens' matters.

5. The procedures, mentioned in Articles 30 and 31, provisions 1, 3 and 4, and items 1–8 and 10, provision 2 of Article 32 of this Law, shall be applied by foreign citizens and individuals without

any citizenship for applying for land use, taking decisions on this matter, defining the contents of the land use contract and concluding it.

6. If two or more foreign citizens or individuals without any citizenship apply for the same land use, the selection shall be made according to the indicators, mentioned in provision 4, Article 46 of this Law.

7. Relations connected with land use by foreign citizens and individuals without any citizenship shall be regulated by the relevant provisions of this Law.

#### **Article 48. Termination of some persons' right for the property on land with termination of their land use right**

If not stipulated otherwise in the law or land use contract, the right of the owner to use his constructions and other property on the land shall terminate with the termination of his right to use this land as stipulated in Articles 45, 46 and 47 of this Law.

### **CHAPTER SEVEN**

#### **Efficient and proper land use and protection**

#### **Article 49. Common demand for efficient and proper use and protection of land**

Land possessors and users shall meet the following requirements to use and protect land efficiently and in a proper manner:

1/ to take measures at their own cost to preserve land characteristics and quality, and to prevent soil fertility degradation due to natural effects or human activities, from overuse of land vegetable covering, soil erosion, damage, drainage, bogging up, salting and intoxication;

2/ to rehabilitate timely the damaged land;

3/ to rehabilitate and repair the land with characteristics changed in the course of experimental activities or investigating for mineral resources;

4/ not to negatively affect the nature, environment and land while using the land, its wealth and common mineral resources;

5/ to preserve and protect small forests, rare and becoming rare animals, plants and places with historic and cultural monuments;

6/ not to carry out any activity, having negative effect on state owned land, land in others' use and possession, and nature and environment.

#### **Article 50. Land use hygienic requirements**

1. Citizens, economic entities and organizations shall have the ecological expertise done at their own cost by the relevant professional competent organization for elaborating land use project, introducing new technology, or using on land chemical elements and fertilizers never used before in Mongolia.

2. Citizens, economic entities and organizations shall locate constructions and equipment having potential negative effects on nature and environmental balance, population health, fauna, flora, air, forest and water, as well as store and bury underground industrial waste, sewage, toxic and other substances, with the permission of the relevant professional competent organization.

3. Before undertaking the activities, mentioned in provision 2 of this Article, citizens, economic entities and organizations shall inform about them in advance to aimak, the capital city, soum and district Governors and population, and at their own cost shall have the land boundaries and limits marked, as well as to put into place permanent cautionary signs.

#### **Article 51. Pasture and its proper use and protection**

1. According to the Land Unified Fund classification pasture shall be the land belonging to agriculture land devoted to animals grazing.

2. Soum and district Governors in collaboration with relevant professional organizations shall initiate land organization measures on pasture land and undertake its protection and capacity regulation.

3. Use of pasture shall be in compliance with the traditional system of general separation of pasture land for winter, spring, summer and autumn use. Summer and autumn pastures and reserve pastures to be used in case of natural and climatic disasters and other emergencies shall be divided among bagues and communities and commonly used by them.

4. Forest fund land may be used for animal grazing in compliance with relevant legislation.

5. Aimak, the capital city, soum and district Governors may on their territories spare zones for pastoral and stall herding, taking into consideration the natural, environmental, social and economic conditions.

6. Aimak, the capital city, soum and district Governors may undertake preventive measures like: evacuating animals from overgrazed and capacity exceeded pastures, limiting animal population and others.

7. If necessary to move to the territories of other aimaks and soums due to natural disaster or other emergencies, appropriate level Governors shall agree and take the decision. In case of failure to come to an agreement the matter shall be decided by higher level Governors or the Government.

8. Relevant citizens, economic entities and organizations shall be obligated to implement the decision indicated in provision 7 of this Article.

#### **Article 52. Proper use and protection of haying areas**

1. Soum and district Governors in collaboration with relevant professional organization shall initiate land organization measures on haying areas and their protection.

2. Soum and district Governors may give every year haying areas for use by citizens, economic entities and organizations, based on schedules issued by bague and region citizens' Common Khurals, as well as entrust them with their protection.

3. Animal grazing on haying areas is banned from May 15 until September 1.

4. With the consent of soum and district Governors, citizens, economic entities and organizations may use parts of pasture with appropriate harvest as haying area.

### **Article 53. Proper use and protection of farming land**

1. In cases other than those indicated in provision 2, Article 28 of this Law and provision 4 of this Article the Government shall make the decision on creating new farming land.

2. The initial term of possession and use of farming land by citizens, economic entities and organizations shall not be less than 5 years, nor more than 25 years.

3. Citizens, economic entities and organizations possessing and using land for farming shall take regular measures to protect the soil and prevent fertility degradation, as well as to possess a national certificate on the land characteristics and quality in time and in conformity with the procedures stipulated in the legislation.

4. Citizens may grow for family consumption vegetables, fruits, berries and fodder on their residential lots in wintering places.

5. Except special cases animals grazing on farming land is banned during the period starting with seed planting until the end of the harvesting season.

### **Article 54. State control over Land Unified Fund**

1. The Government, aimak, the capital city, soum and district citizens' Representatives' Khurals, their presidiums and Governors, exercising their power stated in this Law, shall control Land Unified Fund possession, use, protection and the implementation of land legislation.

2. The competent nature and environment control organization, as well as professional land, quarantine, hygienic, geological, mining and other institutions empowered by legislation shall undertake professional control over the implementation of land legislation.

### **Article 55. The land characteristics and quality national certificate and its delivery**

1. The land characteristics and quality certificate is the conclusion that result from comparing the main stable indicators of land characteristics and quality redefined in time, indicated in the legislation, with initial indicators taken under national control in order to ensure constant state control over the efficient and proper use and protection of land.

2. The land characteristics and quality certificate shall be issued with the following indicators:

1/ thickness of the soil fertility layer;

2/ soil humus content;

3/ soil pollution and intoxication;

4/ change of land surface characteristics;

5/ change of vegetation covering;

6/ change in plants composition of pasture and haying areas.

3. Indicators to be applied in addition to the ones, mentioned in provision 2 of this Article, taking into account the land specifics, shall be determined by the Government. The Government competent organization shall determine the methods of defining the indicators of the land characteristics and quality certificate.

4. The professional organization empowered by the Government shall deliver the land characteristics and quality national certificate.

5. All land classifications of the Land Unified Fund shall be enrolled once in 5 years by the national certification of land characteristics and quality, and this certificate shall be issued upon the termination of the land possession and use rights of citizens, economic entities and organizations.

6. Land possessors and users shall be responsible for their land characteristics and quality; the Government competent organization and aimak, the capital city, soum and district Governors shall be responsible for characteristics and quality of the land for special needs of the state, aimaks, the capital city, soums, districts not given for others' use; soum and district Governors shall be responsible for the characteristics and quality of other land.

7. Land possessors and users shall pay for the national certificate of their land characteristics and quality; the national certificates of the characteristics and quality of the land given for the first time to citizens, economic entities and organizations for possession and use, as well as of other land shall be financed from the state centralized or local budgets.

8. The evaluation of the national certification of land characteristics and quality shall be defined by the Government.

## CHAPTER EIGHT

### Other provisions

#### **Article 56. Settlement of land related disputes**

1. The following land related disputes shall be settled by the organizations and officials listed below:

1/ disputes related to state owned land possession and use between citizens, economic entities and organizations and Governors – by higher level officials or organizations of Governors;

2/ disputes related to land possession and use between citizens, economic and organizations, and disputes about land use contract terms and conditions between land possessors and land users – by the appropriate level Governors;

3/ disputes related to land characteristics and quality, its efficient and proper use and protection – by the official in charge of control in the relevant professional organization, or by the relevant level Governors in compliance with legislation;

4/ disputes related to the use with limited rights of the land in others' possession and use - by courts.

2. If the decision of the organizations and officials, mentioned in items 1, 2 and 3, provision 1 of this article, concerning the disputes related to the land is not acceptable for citizens, economic entities and organizations, then the disputes shall be settled by their higher level officials and organizations, or courts.

3. If not stipulated otherwise in Mongolian international agreements and bilateral agreements between the parties, disputes related to land used by economic entities with foreign investment shall be settled according to the procedures given in this Article.

#### **Article 57. Annulment of illegal decisions and the halting of actions**

If the decisions and actions / or non action / of state competent organizations or officials infringe land legislation, rights and legitimate interests of land possessors and users, these organizations and officials themselves or their higher organizations and officials, or the courts shall repeal these decisions and halt these actions.

#### **Article 58. Damage compensation**

1. A person guilty for causing any damage to the land, notwithstanding any criminal or administrative penalty, shall undertake measures to compensate the damage at their own cost, and if these measures are undertaken by a professional organization the relevant cost shall be fully covered by this person.

2. A person guilty for causing any irremediable damage to the land, notwithstanding any criminal or administrative penalty, shall pay the cost of its repair and rehabilitation.

3. Citizens, economic entities and organizations taking into their possession land being aware of damage caused to it, if not agreed otherwise with its former possessor, shall compensate the damage at their own cost.

#### **Article 59. Liabilities assumed by legislation violators**

1. Persons who violate the land legislation shall assume criminal and administrative liabilities depending on their guilt and fault, the character of violation and the size of damage caused.

2. If a guilty person violated the land legislation in the ways listed below, but has not assumed criminal liability, the judge or national environment control inspector shall punish in the following ways:

1/ to pay up to a 1,000 tugriks fine if an official in official documents used double names for land and waters, translated land and waters official names from Mongolian into a foreign language, transcribe into the pronunciation of other languages;

2/ to pay up to a 3,000 tugriks fine if a person entered or passed through the land in others' possession and use, which was protected by putting fences around it or prohibiting signs;

3/ to pay up to a 5,000 tugriks fine if a person with the limited rights to use land for the purposes, mentioned in provision 1, Article 43 of this Law, the land in others' possession and use, was premeditatedly was obstructed from doing so;

4/ to pay up to a 10,000 tugriks fine if the land is not vacated within the time stipulated in the law or contract, upon the termination of the land possessing and using rights;

5/ to pay a 1,000 - 15,000 tugriks fine if the land possession and use contract is not registered in the National Register, if land possessed and used according to the contract with expired term, land characteristics and quality certification is not made on time;

6/ to pay a 3,000 - 15,000 tugriks fine if land agreed to be changed or returned on a compensation bases is not vacated in time stipulated in the contract;

7/ to pay a 2,000 - 15,000 tugriks fine if new farming land appears without the decision of the competent organization;

8/ to vacate the land, pay up to a 25,000 tugriks fine and confiscate all revenue if it is used and administered without the decision of the competent organization or official;

9/ to pay a 3,000 - 25,000 tugriks fine if serious damage is caused to the land, or provisions 1, 2, 3, Article 49 and Article 50 of this Law violated;

10/ to confiscate all illegally earned revenue and pay a 5,000 - 25,000 tugriks fine if land in others' possession and use used without any agreement with the land possessor and user.

#### **Article 60. Law effective date**

This shall enter into effect from April 1, 1995.

CHAIRMAN, STATE GREAT KHURAL  
OF MONGOLIA  
N. BAGABANDI

COPY IS TRUE: DEPUTY GENERAL SECRETARY  
STATE GREAT KHURAL'S OFFICE  
J. ELBEGSAIHAN