

# LAW ON FEES FOR THE USE OF NATURAL FLORA

May 19, 1995

Ulaanbaatar, Mongolia

## Article 1. Purpose of this Law

The purpose of this Law is to regulate the assessment and payment into the state budget of fees for the use of natural flora (hereinafter "flora") by citizens and economic entities.

## Article 2. Legislation on Fees for the Use of Flora

1. The legislation on fees for the use of natural flora consists of the *General Law on Taxation*, the *Law on Natural Flora*, this Law and other legislative acts issued in compliance with them.

## Article 3. Fee Payers

1. Citizens of Mongolia, foreign citizens and stateless persons (hereinafter "citizens") or economic entities making use of flora for any purpose are **fee payers** ("*tölbör төлөгч*").
2. Citizens and economic entities shall obtain permits for the use of flora in accordance with the *Law on Natural Flora*.

## Article 4. Items Subject to Fees

1. The following categories of flora collected and used by fee payers are subject to fees for the use of flora:
  - 1) Extremely rare flora ("*nen xovor urgamal*");
  - 2) Rare flora ("*xovor urgamal*");
  - 3) Common flora ("*elbeg urgamal*").

## Article 5. Fee Assessment Unit

Fees for the use of flora must be assessed per kilogram of plant mass at the time of collection.

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## Article 6. Fee Amounts

1. The rates of fees for the use of flora must be set in MNT according to the basis established in article 5 of this Law and within the following limits:

Natural Flora Subject to Fees	Fee to be Imposed per Assessment Unit (MNT)	
	Minimum	Maximum
1. Extremely Rare Flora	300	1 000
2. Rare Flora	150	500
3. Common Flora	50	300

2. The Citizens' Representative Assembly of each aimag and of the capital city shall set the rates of fees for the use of flora individually for each plant species, within the limits defined in paragraph 1 of this article, taking account of the resources, distribution, importance and physical characteristics of each species, and of market supply and demand.

## Article 7. Fee Exemptions and Discounts

1. Fee payers shall pay no fees on flora used for the following needs and purposes:
  - 1) Common flora used by citizens for household purposes;
  - 2) Rare or common flora used by citizens or economic entities for research purposes;
  - 3) Natural flora used by citizens or economic entities for hay production and livestock grazing.
2. Discounts may be applied to the fees for the use of flora. The conditions for and rates of such discounts must be determined based on local conditions and characteristics by the Citizens' Representative Assemblies of the aimags and of the capital city.

## Article 8. Fee Payment and Reporting

1. Sum and düüreg governors shall appoint officials to collect fees for the use of flora.
2. Fee payers shall submit the fee in cash to the official authorized by the sum and düüreg governors or by bank transfer to the sum and düüreg budget upon issuance of a license for the use of flora.

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3. The official appointed by the sum or düüreg governor to collect cash payments according to paragraph 2 of this article shall deposit such payments in the respective sum or düüreg budget account.

4. Annual reports on the payment of fees for the use of flora must be submitted according to the following deadlines:

1) Officials appointed by sum and düüreg governors shall submit annual fee reports to the respective sum or düüreg tax departments for fees paid to sum or düüreg budgets both in cash and by bank transfer by January 10 of the following calendar year;

2) Sum and düüreg reports must be submitted to the aimag and capital city tax departments by January 15 of the following calendar year;

3) Aimag and capital city reports must be submitted to the State General Taxation Department by February 1 of the following calendar year;

4) The State General Taxation Department shall prepare a consolidated national annual fee report by February 15 of the following calendar year.

5. The State General Taxation Department shall set the authorized format for fee reports.

#### **Article 9. Refund of Payments**

1. Fees may be refunded in the following cases:

1) An overpayment has been made;

2) An official authorized to issue permits and licenses has invalidated an issued permit.

#### **Article 10. Grievances Regarding Payments**

Grievances by citizens or economic entities regarding fees paid must be submitted to the tax office at the appropriate level within 30 calendar days following payment. If a citizen or economic entity does not agree with the decision of the tax office it may appeal to the courts.

#### **Article 11. Penalties for Violation of Legislation on Forest Use**

1. A tax inspector may impose the following penalties on an official authorized to collect fees for a violation of paragraph 3 of article 8 of this Law, if not subject to the *Criminal Code*:

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- 1) A fine of up to 25 000 MNT for the failure to collect or for the partial collection of fees, or for the confusion of documentation or failure to deposit fees collected in cash into the appropriate budget account.
2. Penalties for fee payers defined in this Law are regulated by the *General Law on Taxation*.

#### **Article 12. Control of Implementation of the Legislation**

The State General Tax Office, the central and local government organizations responsible for nature and environment, governors at all levels and other organizations and officials authorized by law shall exercise control over the implementation of this Law within the mandate of their respective powers.

#### **Article 13.**

Effective Date of This Law

This law takes effect on July 1, 1995.

Chairman of the State Great Hural of Mongolia

N. Bagabandi

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