

LAW OF MONGOLIA ON WATER

revised

May 17, 2012

CHAPTER ONE

GENERAL PROVISIONS

Article 1. Purpose of the Law

1.1. The purpose of the present law is to govern relations concerning the protection and rational use and restoration of water resource and its basin.

Article 2. Legislation on Water

2.1. The legislation on water shall consist of the Constitution of Mongolia, Law on Protection of Nature and Environment and this law and other legislative acts issued in conformity with them.

2.2. If international treaty to which Mongolia is a party is inconsistent with this law, then the provisions of the international treaty shall prevail.

Article 3. Definitions

3.1. Terms used in this Law are to be interpreted as follows:

3.1.1. "Water resources" means surface and groundwater contained in water bodies in the territory of Mongolia;

3.1.2. "Potential usable resource" means quantity of water resource which could be used for specific period without affecting its ecosystem equilibrium;

3.1.3. "Water basin area" means lake, pool, salt-mash, river, stream, springs, water pool, mineral water, marsh, glaciations, areas of glacier and their safety belt areas;

3.1.4. "Water bodies" means a space covering an area in which surface water is accumulated and a space covering areas of groundwater feeding and spreading;

3.1.5. "Source of river flow" means high mountain region, upper basin of river where bulk of surface water runoff flow is originated;

3.1.6. "Water source" means water resource and river flow which is used for water supply;

3.1.7. "Mineral water" means water and mud of specific physical and chemical nature which has medical treatment importance;

3.1.8. "Mineral water deposit" means an area where mineral water is accumulated at surface and in its bowels;

3.1.9. "Special and ordinary protected area" means strips of land established to protect water reservoir, upper basin of water and mineral water deposit against depletion and pollution;

3.1.10. "Hygienic area" means strips of land established to protect supply water resource and mineral water deposit;

3.1.11. "Transboundary water" means surface and groundwater along the border line of Mongolia or at juncture;

3.1.12. "Water reservoir" means artificial lake, pool, pond built for the purpose of accumulation of water reserve and utilization;

3.1.13. "Water facilities" means simple and engineering facilities, designed to adjust water flow and pressure, to water accumulation, storage, allocation, distribution, treatment and to improve water quality and to exploitation of groundwater and to protect against natural disaster;

3.1.14. "Irrigation system" means a complex of water facilities and equipments designed to accumulate, transmit, allocate, distribute and remove surplus water for pasture, hay-field and crop watering;

3.1.15. "Water supply source" means facilities designed to dig well, pipes, and accumulation and water treatment and construction facilities for water distribution;

3.1.16. "Water resources management plan" means a document designed to ensure integrated regulation of the conservation, rational use, restoration activities;

- 3.1.17. "Ecology-economic evaluation of water" means the expression of value of natural water resource, its benefit, quality and utility importance in monetary form;
- 3.1.18. "Depletion of water resource" means reduction of water resource, deterioration of water quality, natural value and benefit;
- 3.1.19. "Water pollution" means change of natural composition of water and deterioration of water quality as direct and indirect consequence of human activities;
- 3.1.20. "Water quality" means compatibility of quality standard of water, expressed in physics, chemical and biological comprehensive characters;
- 3.1.21. "Water quality standard" means the norms, which certified by competent authority that chemical, physics and biological character indicators of water have no adverse impact on human health and water environment;
- 3.1.22. "Contaminating substance" means those substances and their mixture contained in waste water which and pollute surrounding areas;
- 3.1.23. "Hazardous contamination substance" means those substances, included in the list, approved by the state central administration in charge of environmental issues;
- 3.1.24. "Waste water" means sewage and liquid waste generated by domestic utility, industry and services;
- 3.1.25. "Waste water standard" means competent authority certified permissible maximum polluting substances in waste water, generated by the source of pollution;
- 3.1.26. "Standard of waste water discharged to sewage treatment system" means maximum permissible level of polluting substances of waste water to sewage treatment system, generated by manufacturing and services;
- 3.1.27. "Water user" means a natural person or legal entity entitled to use a water body, water and mineral water for industrial and services for commercial purpose;
- 3.1.28. "Water consumer" means a consumer using water and water body for non-profit purposes for drinking, domestic and household utility and for livestock and cultivation;
- 3.1.29. "Water polluter" means a natural person, legal entity and institution, generating waste water through domestic consumption and industrial and services business;
- 3.1.30. "Water inventory" means a inventory process of registration of all water bodies, number, size of water supply resources, volume of used and polluted water and sources of water pollution;
- 3.1.31. "Water utility fee" means a fee to be paid for the use of water, mineral water for the purpose of domestic, industrial and services;
- 3.1.32. "Water pollution fee" means a fee to be paid for drainage and removal of waste water when its content meets the requirement of standard;
- 3.1.33. "Water pollution reimbursement" means a fee to be paid for drainage and removal of waste water when its content exceeds the standard;
- 3.1.34. "River belt" means a stretch of grassland by a river, starting from the river bed;

Article 4. Integrated Water resources management

- 4.1. Water resources in the territory of Mongolia are a valuable strategic wealth.
- 4.2. Water resource basin areas shall be for public consumption under the regulation of state organization.
- 4.3. Water shall be used within the usable potential resource effectively and efficiently.
- 4.4. Water resources and their usable potential shall be determined by hydrological exploration and research which to be conducted by the professional institution, specified in 21.1 of the present law.
- 4.5. Total water resource and the volume of usable potential resources shall be approved by the water resource council.
- 4.6. Cabinet member in charge of nature and environment shall establish water resource council and approve its charter and composition.
- 4.7. The State Administrative Central Organization in charge of nature and environment shall develop integrated management plan of the water basin resource hereinafter referred as "management plan of water basin resource" on the basis of the usable potential resource, specified in 4.4 of the present law.

(Introduced changes to this part by revised law of August 17, 2012)

4.8. Management plan of water basin resource shall be approved by the cabinet member in charge of nature and environment.

4.9. Cabinet member in charge of nature and environment shall establish the usable limit of surface and groundwater resource by water basins hereinafter referred as "basin".

4.10. Basin, referred in 10.1.2 of the present law shall have its administration and it is the responsibility of the Cabinet member in charge of nature and environment to provide professional management of the administration.

(Introduced changes to this part by revised law of August 17, 2012)

4.11. Water resource shall have ecological and economic assessment.

Article 5. Hydrological exploration and research

5.1. Hydrological exploration and research to determine water resource and its usable potential water resource shall be carried out by public budget funding.

5.2. Cabinet member in charge of nature and environment shall issue a decision to carry out hydrogeology and hydrology exploration and research at specific region, and exploration and research of water supply sources in the city of national status and other cities, villages and dwellings and they will be funded from public budget.

5.3. The State Administrative Central Organization in charge of nature and environment shall take decision to conduct water source exploration and research designed for the domestic and industrial use of natural person, legal entities and organizations, which will be financed by the customer.

(Introduced changes to this part by revised law of August 17, 2012)

5.4. Professional institution, which carried out the hydrology exploration and research, specified in 5.2 and 5.3 of the present, law shall be responsible for obtaining verification of the result of the exploration and research work from the water resource council and to submit the data and report to national database.

5.5. It is prohibited for foreign citizen, entities and organizations to conduct hydrology and water body related research and survey at water fund areas without the permission of the State Administrative Central Organization in charge of nature and environment.

(Introduced changes to this part by revised law of August 17, 2012)

Article 6. Water monitoring-research network

6.1. The State Administrative Central Organization in charge of nature and environment shall establish and maintain water monitoring-research integrated network for the purpose to carry out regular observation, measurement, and survey, research on water resource, regime, quality and changes and to provide evaluation and information.

6.2. Water monitoring-research integrated network shall consist of the following components of permanent functioning:

6.2.1. State monitoring-research network;

6.2.2. Water basin monitoring-research unit;

6.2.3. Internal control point of economic entities and organizations.

6.3. The State Administrative Central Organization in charge of nature and environment shall approve the water monitoring-research program and provide professional management and the program shall indicate places of water resource fund, names of underground water deposits, monitoring-research watch-posts, relay-service, and number of shafts, location and type of researches, methodology and a responsible executor.

6.4. Supplying of network and units with equipments and their maintenance expenses, specified in 6.2.1 and 6.2.2 of the present law, shall be financed from public budget.

6.5. The executor shall have the duty to present the water monitoring-research result and data to state water information database.

Article 7. Water database and inventory

7.1. The state water database shall be composed of information regarding surface and groundwater, prospects of mineral water, space indicators, volume of entire and usable potential water resource, quality, changes and monitoring-research result information, water utilization, waste water removal information, ecology-economic evaluation and information on water user and consumer, report of exploration and survey, location of water facilities and their capacity, technical specifications and etc.

7.2. Cabinet member in charge of nature and environment shall approve the indicators of the state water database and the procedure to keep recording.

7.3. Water resource inventory shall be carried out annually by governors of aimag, capital city and district level and collected data shall be entered in state water database.

7.4. The State Administrative Central Organization in charge of nature and environment shall prepare report annually on the condition of state water based on the database information.

(Introduced changes to this part by revised law of August 17, 2012)

7.5. Water user and consumer, economic entity and organization shall be responsible for providing information to be entered to water database to the State Administrative Central Organization in charge of nature and environment and basin administrations, specified in Article 17 of the present law.

(Introduced changes to this part by revised law of August 17, 2012)

CHAPTER TWO

POWERS OF STATE AND OTHER INSTITUTIONS

AS REGARD TO WATER RELATIONS

Article 8. Powers of the State Great Hural

8.1. State Great Hural shall exercise the following powers in respect of water relations:

8.1.1. To determine fee for water use and water pollution;

8.1.2. To take decision on the adjustment of flow of major rivers and on transfer of water resource use to other areas;

8.1.3. Exercise other powers stated by law.

Article 9. Powers of the Government

9.1. The Government shall exercise the following powers in respect of water relations:

9.1.1. To approve the state integrated water resources management plan;

9.1.2. To conclude agreements with neighboring countries on transboundary water;

9.1.3. To approve ecological and economic assessment of water resource;

9.1.4. To take decisions on the adjustment of river flow and on transfer of water resource for use, except those specified in 8.1.2 of the present law;

9.1.5. To establish national committee with responsibilities to coordinate inter-sector water issues, to ensure integrated management and to oversee the implementation of national program;

9.1.6. Exercise other powers stated by law.

Article 10. Powers of the State Administrative Central Organization in charge of nature and environment

10.1. The State Administrative Central Organization in charge of nature and environment shall exercise the following powers as regard to water relations:

10.1.1. To consolidate and get approved a plan, stated in 9.1.1 of the present law and to ensure its implementation policy, inter sector and regional coordination;

10.1.2. To set up water resource basins on the basis of rivers and their basin size, natural condition, and approve administrative structure and institutional on the basis of condition of rivers and size of their basin, nature of their flow, resource allocation, natural and administrative boundaries;

10.1.3. To develop and approve procedures and instructions in collaboration with the relevant State Administrative Central Organization as regard to the estimation of

water resource, conducting water inventory, establishment of ecology-economic evaluation of water resource, the restoration of water bodies, exploitation and utilization of water points, water facilities and buildings, installation of water meter for use and consumption of water;

10.1.4. To develop and approve methodological instruction of basin management plan;

10.1.5. To grant and cancel the right of exploration and survey institutions;

10.1.6. To approve method of evaluation of damage to water resource and its reimbursement;

10.1.7. To ensure the implementation of frontier water international treaties and agreements;

10.1.8. To take decision on the change of river-bed;

10.1.9. To oversee the provision of state database of water;

10.1.10. To approve procedure of the rational use and protection of mineral water in collaboration with the State Administrative Central Organization in charge of health;

10.1.11. To appoint and release of chairman of basin administration;

10.1.12. To approve the list of hazardous substances of water pollution;

10.1.13. To organize exploration and survey works stated in 5.2 of the present law;

10.1.14. To develop, approve and implement a plan for water exploration, design and survey and to monitor the process of exploration and survey works;

(added by revised law of August 17, 2012)

10.1.15. To identify the consumption of potential usable water resource for each purposes and to ensure its enforcement;

(added by revised law of August 17, 2012)

10.1.16. To develop proposal on the establishment of maximum limit of water resource, specified in 4.9 of the present law;

(added by revised law of August 17, 2012)

10.1.17. To set up and maintain state water database and provide citizens, legal entities and organizations with information concerning water status;

(added by revised law of August 17, 2012)

10.1.18. To consolidate and process state water inventory and statistic data and to develop annual report of national water resource and water consumption;

(added by revised law of August 17, 2012)

10.1.19. To develop water ecology-economic evaluation method and instruction and to estimate water resource pollution;

10.1.20. To develop technical terms and standard of water efficiency and treatment of waste water and producing gray water, relying on advanced technology and scientific achievements and to monitor its implementation;

(added by revised law of August 17, 2012)

10.1.21. To provide basin administration, capital city nature and environment authority and soum, district environment protector with integrated water management and to oversee the conclusion of the basin administration and aimag, capital city environment authority as well as conclusion of water professional institutions;

(added by revised law of August 17, 2012)

10.1.22. To bring out professional conclusion on the introduction of change to river bed and adjustment to watershed and utilization of water basin areas project;

(added by revised law of August 17, 2012)

10.1.23. To bring out conclusion as regard to drilling holes and wells, construction of water facilities and conducting survey for utilization;

(added by revised law of August 17, 2012)

10.1.24. To impose temporary prohibition on the use of water for the purpose of distribution and restriction of water use and restoration when there is shortage of water resource at a time of drought, desertification and desiccation;

(added by revised law of August 17, 2012)

10.1.25. To develop and get approved the quality standard of mineral water for medical treatment in collaboration with the State Administrative Central Organization in charge of health;

(added by revised law of August 17, 2012)

10.1.26. To bring out conclusion on the utilization of mineral water resources, registered in the state reserve to use for medical treatment - sanatorium, industrial and service purpose;

(added by revised law of August 17, 2012)

10.1.27. To bring out professional conclusion on the exploration, survey and design of building engineering irrigation

system for the irrigation of hay-field, pasture and crop field and to submit to the State Administrative Central Organizations in charge of environment and agriculture;

(added by revised law of August 17, 2012)

10.1.28. To take decision whether to grant permission for foreign citizen, economic entity, organization to conduct water and water related research, survey in the area of water bodies or not;

(added by revised law of August 17, 2012)

10.1.29. To develop water quality and waste water standard and to approve jointly with competent institution;

(added by revised law of August 17, 2012)

10.1.30. Exercise Other powers stated by law.

(Amendments were introduced by revised law of August 17, 2012)

Article 11. Powers of Citizens' Representative Hural of aimag, capital city, soum and district

11.1. Citizens' Representative Hural of aimag, capital city, soum and district shall exercise the following powers as regard to water relations:

11.1.1. To oversee the implementation of the legislations policy, program on water and its decisions and to discuss and bring out conclusion as regard to governor's report;

11.1.2. To discuss and approve plan and program, submitted by basin administration and governor regarding the protection of water resource, rational use of water, restoration of water bodies and prevention against water damage;

11.1.3. To take decision on local protection of water resource and identification of the boundary of protected zone and to protect;

11.1.4. To set up zone of water bodies, water source special and ordinary protection zones, hygiene zone, water resource recharge area boundary on the basis of the conclusion of the State Administrative Central Organization in charge of nature and environment and the authority in charge of city and dwelling sewage, in accordance to 22.1 – 22.4 of the present law;

(Amendments were introduced by revised law of August 17, 2012)

11.1.5. Exercise Other powers stated by law;

Article 12. Aimag, capital city governor powers

12.1 Aimag, capital city governor shall exercise the following powers as regard to water relations:

12.1.1. To define the required budget and capital for the implementation of water protection, rational use, accumulation, restoration, prevention against flood and potential danger and measures to eliminate consequence and to get approved by citizens' representative Hural and to ensure the implementation;

12.1.2. To prepare order for exploration and survey of centralized water supply resource of city of national status and to submit to State Administrative Central Organizations in charge of nature, environment and construction, urban development;

12.1.4. To organize activities in relation to the protection of water and water environment, rational use, restoration and construction of water facilities;

12.1.5. To put signs at areas of water bodies, water resource special and ordinary protection, boundary of hygiene zone and recharge zone and to ensure implementation of zone regime;

12.1.6. Exercise Other powers stated by law

Article 13. Soum, district governor powers

13.1. Soum and district governor shall exercise the following powers as regard to water relations, in addition to that of 12.1.1 and 12.1.3 of the present law:

13.1.1. To stop the activities of using water for industrial purpose and arbitrarily making hole without permission;

13.1.2. To conclude contract with Mongolian citizen, economic entity and institution for the exploitation of mineral water and to monitor its implementation;

13.1.3. To cease the use of water from water resources when there is shortage of water resource and river, stream, lake, spring, mineral water, well dry up and polluted and to take decision on their restoration, forestation and plantation and to take measures to get reimbursed these damages to nature;

13.1.4. To set up waste water removal point in the territory of its jurisdiction, on the basis of the proposal of the

professional organization;

13.1.5. To issue water use permission on the basis of the conclusion, set out in 28.4 of the present law;

13.1.6. To put signs at places of water bodies, special and ordinary protection zones, boundaries of hygiene zones, recharge zones and to ensure the enforcement of zone regime;

13.1.7. Exercise Other powers stated by law. .

Article 14. Powers Bag and Khoroo Public meeting

14.1. Bag, horoo Public Meeting shall exercise the following powers as regard to water relations:

14.1.1. To discuss bag, horoo governor's briefing on the process of the implementation of the law on water in the respective territory;

14.1.2. To coordinate the exploitation and possession of wells, water storage and irrigation, to discuss and take decision on the governor's proposal to dig a well and construct pool, water storage and irrigation for the purpose of watering pasture, hay-field and crop field;

14.1.3. Exercise Other powers stated by law..

Article 15. Powers of bag, horoo Governors

15.1. Bag, horoo governor shall exercise the following powers as regard to water relations:

15.1.1. To ensure the enforcement of legislation and decisions of competent institutions in their jurisdiction as regard to protect water resource against shortage and pollution, rational use and restoration of water surroundings;

15.1.2. To mobilize citizens to protect source of rivers, streams, springs, mineral water and to furnish and plant trees and plantation, to increase flow and prevent against pollution;

15.1.3. To monitor the exploitation, protection and possession of water points in its jurisdiction;

15.1.4. To enforce regime as regard to water special and ordinary protection and hygiene zones;

15.1.5. Exercise Other powers stated by law. .

~~Article 16.~~

(annulled by the revised law of August 17, 2012)

Article 17. Powers of basin administration

17.1. Basin administration shall execute the following mandate as regard to water relations in its jurisdiction:

17.1.1. To develop draft plan of the basin management;

17.1.2. To ensure local and inter sector coordination for the implementation of basin management plan and to monitor implementation;

17.1.3. To provide professional recommendation to all level governors and citizens' representative Hural;

17.1.4. To carry out water inventory annually at basin level jointly with local administrative organization and to report to the State Administrative Central Organization in charge of nature and environment;

(Amendments were introduced by revised law of August 17, 2012)

17.1.5. To maintain sub database of water basin information and provide information to public;

17.1.6. To receive applications from citizen, economic entity and organization for drilling hole and channel for the purpose of water use and make conclusion on water use on the basis of water resource management plan and in accordance to 28.4 of the present law and to enter in the database;

17.1.7. To define the ground for water use and water pollution fee in accordance to relevant legislation;

17.1.8. To set up water supply and wastewater removal points at basin area;

17.1.9. To bring out conclusion on the cancellation of water use and waste water removal right of those citizen, economic entity and organization which violates the requirement for water use and waste water removal and file claim at court on reimbursement of damages to nature;

17.1.10. To monitor regularly the potential usable water resource and water utilization at basin area;

17.1.11. To develop proposal in consultation with the local administration on the establishment of basin council and submit to the State Administrative Central Organizations in charge of nature, environment;

(Amendments were introduced by revised law of August 17, 2012)

17.1.12. To develop justification for taking river, lake, water bed and underground fresh water deposit under state and local special protection;

17.1.13. Exercise other powers stated by law. .

17.2. License for mineral exploration and exploitation in the relevant basin shall be granted on the basis of recommendation of the relevant basin administration.

Article 18. Powers of aimag, capital city environment authority

18.1. Aimag, capital city authority shall exercise the following powers as regard to water relations:

18.1.1. To monitor the implementation of water legislation and report the result to governor of aimag and capital city, and the State Administrative Central Organizations in charge of nature, environment;

(Amendments were introduced by revised law of August 17, 2012)

18.1.2. To create aimag, capital city water database and to provide information to the State Administrative Central Organizations in charge of nature, environment and basin administration;

(Amendments were introduced by revised law of August 17, 2012)

18.1.3. To monitor activities to protect water resource, rational use, restoration of water surrounding, water supply, sewage and waste water removal;

18.1.4. To issue water utilization license, conclude contract with water user and register in water database on the basis of basin administration decision and conclusion specified in 28.4 of the present law;

18.1.5. To compile the inventory records and submit to the State Administrative Central Organizations in charge of nature, environment and basin administration;

(Amendments were introduced by revised law of August 17, 2012)

18.1.6. Exercise other powers stated by law. .

Article 19. Powers of soum, district environmental rangers

19.1. Soum, district environmental rangers shall exercise the following powers as regard to water relations:

19.1.1. To monitor the implementation of the water legislation in their jurisdiction and to take measures to eliminate any violations;

19.1.2. To charge water use and pollution fee in accordance to legislation and supervise its payment;

19.1.3. To implement measures designed to protect water, mineral water, rational use of water and rehabilitation measures jointly with basin administration;

19.1.4. To conclude contract with water user and issue license and register in accordance to 28.6 of the present law and notify the basin administration, environment authority of aimag and capital city;

Article 20. Basin council

20.1. Non staff water basin council (hereinafter referred as "basin council") shall be established at basin administration with responsibility to develop water management plan, to provide conclusion and recommendation and oversee activities and ensure multi party participation;

20.2. Basin council shall be composed of representatives of local administration, and representatives of environment authority, specialized inspection authority, citizens of soum, district, water user, scientists, researcher and representative of water professional institution.

20.3. Cabinet member in charge of nature and environment shall approve the establishment of the council and general procedure of its function.

2.4. Basin council shall execute the following mandate as regard to water relations:

20.4.1. To reflect citizens' proposals in the decision concerning water protection, rational use;

20.4.2. To contribute proposal to the project on water resource storage, use and tangible mining and construction of dam and channel;

20.4.3. To oversee the implementation of water management plan of the basin administration and to send recommendation to high competent organization on taking decision and accountability as regard found violation;

20.4.4. To monitor whether the water user is fulfilling its obligation set out in article 30 of the present law;

20.4.5. To monitor whether the water user is fulfilling its duty to reduce negative impact, elimination of damage and rehabilitation work, in accordance to evaluation on environment impact;

20.4.6. To monitor the observance of regime for water storage and water resource special and ordinary protection and hygiene zones;

20.4.7. To organize activities to protect watershed source, water source surrounding areas, forestation, furnishing and rehabilitation by uniting the support, initiative of local people and efforts of professional institutions;

20.4.8. To submit proposal to competent organization to suspend the construction work if the design of the water facility design is verified by the professional institution to have negative impact on water resource;

20.4.9. To submit to competent organization a proposal to cancel the conclusion of the basin administration in relation to water use.

Article 21. Water professional institution

21.1. Water professional institution shall execute water exploration and survey, drilling of hole and develop water facility construction design and to build and equip it and to introduce water efficiency technology, to conduct water analysis and audit;

21.2. License of professional institution for water resource exploration and survey shall be issued only to those economic entities with domestic investment.

21.3. Action guideline and role of the water professional institution shall be approved by Cabinet member in charge of nature and environment.

21.4. License for water professional institution shall be issued by the State Administrative Central Organizations in charge of nature, environment for a period of five years and could be extended for another five years if the institution fulfilled its duty in proper way.

CHAPTER THREE

REHABILITATION OF WATER RESOURCE

AND WATER AREA

Article 22. Protection of water resource

22.1. Special and ordinary protected and hygiene zones at water bodies area and water source will be established in order to protect against water depletion and pollution and to prevent flood and water disaster.

22.2. Special protected zone shall be established at least 50 meter from the bank of water storage and at river flood-plain.

22.2.1. It is prohibited to construct any building and facilities, to plough, to explode, to cultivate land, to conduct mineral exploration and exploitation, to cut club-rush, reed and trees, and to take sand, stone and to collect natural plants for industrial purpose and to wash livestock and to process agricultural products in special protected zone.

22.3. Ordinary protected zone shall be established at least 200 meters from the bank of water basin area and hygiene zone shall be established at least 100 meters from the water supply source.

22.4. Procedure to enforce special and ordinary protected zone of water basin area and hygiene zone regime shall be approved by Cabinet members in charge of nature and environment and land affairs and the procedure shall determine the boundaries of special and ordinary protected zones as well as regime to be enforced.

22.5. Hygiene zone of capital city water supply source and the boundary of recharge zone shall be determined jointly by Cabinet members in charge of nature, environment and land affairs.

22.6. It is prohibited for individuals, economic entities and organizations to breach the regime, specified in 22.4 of the present law.

22.7. Rivers, lakes, water bed and underground fresh water deposit shall be under state and local special protection.

22.8. It is prohibited to alter the natural main river-bed of rivers without the decision of the State Administrative Central Organizations in charge of nature, environment.

22.9. Minerals exploration and exploitation in the protected zone of rivers source of flow, water basin and forest coverage area shall be regulated by law.

22.10. Hygiene and protection zone of minerals water shall be determined as follows:

22.10.1. Hygiene zone at 100 meters distance around mineral water deposit and source;

22.10.2. Protection zone shall consist of prohibited and restricted zones and the prohibited zone shall be set up at least 200 meters distance surrounding hygiene zone;

22.10.3. Restricted zone shall be identified by water professional institution.

22.11. The following activities are prohibited in hygiene zone of mineral water:

22.11.1. To use for construction of buildings and facilities, installation of equipment except direct use of mineral water;

22.11.2. To litter and store chemical substances;

22.12. The following activities are prohibited in prohibited zone of mineral water:

22.12.1. To build mineral utilization facilities and building without waste water treatment and removal facilities;

22.12.2. To cultivate land, pasture livestock and hay moving;

22.12.3. To litter and store garbage and to build sewage holes.

22.13. The following activities are prohibited in mineral water restricted zone:

22.13.1. To build any building and facilities without direct link to water and mineral water use;

22.13.2. To put garbage and waste water removal facilities and collection points and storage of petroleum production and chemical substances.

22.14. Regime for mineral water hygiene and protection shall be determined by the State Administrative Central Organizations in charge of nature, environment and health.

22.15. It is prohibited for individuals, economic entities and organizations to breach the regime of mineral water hygiene and protected zones, set out in 22.14 of the present law.

22.16. In case the mineral water deposit, flow and resource depletion and quality loss as consequence of the violation of relevant legislations, technology regime by the mineral water user then the competent organization shall cease the exploitation of the mineral water on the basis of the conclusion of basin administration and the cost of rehabilitation work shall be borne by guilty individual, economic entity and organization.

22.17. Citizens, economic entity, organization shall seal the holes upon the completion of their use and hand over to environment authority of aimag, capital city and soum, district governor.

22.18. Protection of water resource and rehabilitation work shall be financed by public and local budget, environment protection fund and capital of economic entities, organizations and foreign credit and grants.

Article 23. Protection and rational use of water resource at time of drought, desertification and desiccation

23.1. In order to maintain the balance during drought, desertification and desiccation, Governors of all levels shall organize jointly with basin administration activities of collection of rain, snow and flood water, building of dams, locks, artificial lakes and pools, supporting the initiatives of local citizens, economic entities and organizations.

23.2. Aimag and capital city governor, jointly with the state administrative central organizations in charge of nature, environment shall determine the degree of drought, desertification and desiccation of respective year.

23.3. The state administrative central organizations in charge of nature, environment shall define the procedure to determine the degree of drought, desertification and desiccation and water management to be observed during that period.

Article 24. Protection of water resource against contamination

24.1. It is prohibited to litter, store radioactive and toxic chemical substances, pathogen of infectious diseases and to wash vehicles and dirty things in the area of water basin.

24.2. Basin administration shall issue permission to those engaged in waste water removers that waste water, exceeding 500m³ per day or waste water containing contaminative substances, specified in 10.1.12 of the present law and the governors of soum and district shall issue permission to those waste water removers that waste water per day not exceeding 50 m³.

(Amendments were introduced by revised law of August 17, 2012)

24.3. If the water contaminator has to throw the waste water without treatment because of accident then he will immediately inform the basin administration and governors of all levels and shall bear all expenses concerning the mitigation of contamination and rehabilitation of environment.

24.4. Water user citizens, economic entities and organizations have to furnish their domestic waste water removal points with water separator in accordance to procedure defined by the Cabinet member in charge of health and environment.

24.5. Permission for removal of waste water shall be registered in water database.

24.6. Removal of waste water exceeding the norms, specified in the permission or removal of waste water, exceeding the standard repeatedly shall become the justification for cancellation of right to use water.

24.7. Sample of the permission for waste water removal, set out in 24.2 of the present law shall be approved by the state administrative central organizations of environment, and city and dwelling water supply, sewage treatment authorities.

Article 25. Payment and compensation for water pollution and depletion

25.1. Water contaminator shall be responsible to supervise the volume and composition of waste water and to remove the waste water after meeting the standard requirement and to be liable to pay water contamination fee.

25.2. Environment inspector shall impose water pollution compensation on the basis of the conclusion of the professional institution in case of the water contaminator removes waste water not meeting standard requirement and the inspector shall oversee the settlement of payment and compensation for water pollution could be increased by three times for each of polluting substances on the basis of ecology-economic evaluation.

25.3. Water pollution compensation shall be paid to environment protection fund by citizens, economic entities and organizations.

25.4. Citizens, economic entities and organizations shall be liable to pay fee for water depletion according to size of building, asphalt road in their possession and utilization in cities and dwellings.

25.5. Water pollution and water depletion fee shall be determined by law.

26.6. Settlement of compensation, set out in 25.2 of the present law by the guilty legal person shall not be ground for excuse to face criminal or administrative liability in accordance to the relevant legislations.

CHAPTER FOUR

WATER UTILIZATION

Article 26. Purpose and type of water utilization

26.1. Citizens, economic entities, organizations, foreign legal person shall exercise the right to use water for concert purpose and period on the basis of water use permission and contract in conformity with legislations.

26.2. Citizens, economic entities and organizations shall be classified as follows in accordance to water use and purpose of utilization:

26.2.1. water user

26.2.2. water consumer

Article 27. Permission to be issued to water user

27.1. Aimag, capital city environment author shall issue permission to water user for drilling holes and wells, and digging channel and canal on the basis of volume and quality of the water.

27.2. Water user shall submit an application for obtaining permission to aimag, capital city environment authority which shall include the following information:

27.2.1. Purpose and volume of water use;

27.2.2. Copy of the title for land ownership, possession and use;

27.2.3. Information regarding the wells.

27.3. Aimag, capital city environment authority shall register the wells and holes of the water use in the water database and issue wells passport.

27.4. It is prohibited to change the purpose of use, to drill holes and wells and digging channels and canals without permission.

Article 28. Permission to be issued to water user

28.1. Citizens, economic entities and organizations shall submit their request for use of water to legal person, specified in 28.4 of the present law.

28.2. The following documents shall be annexed to the request for water use:

28.2.1. a map indicating the water source to use and its location;

28.2.2. exploration and survey report of water and mineral water resource, quality and composition and conclusion on potential usable resource;

28.2.3. amount of water to be used per day and its purpose;

28.2.4. drawings and project of water facilities;

28.2.5. production capacity, technical and economic indications;

28.2.6. environmental impact assessment documents;

28.3. Following documents shall annex to request for mineral water use, in addition to that of specified in 28.2 of the present law:

28.3.1. Drawing of mineral water restricted zone, determined by water professional institution and certified by water resource council, specified in 4.5 of the present law;

28.3.2. Conclusion of the state administrative central organization in charge of health;

28.3.3. Project on protection and utilization of mineral water.

28.4. State administrative central organization in charge of environment shall bring out a conclusion on granting water use for the purpose of energy, water transportation and utilization of over 100 m³ water per day, and basin administration brings out conclusion on granting utilization of water of 50-100 m³ per day and aimag, capital city environment authority bring out conclusion on the utilization of water up to 50 m³ and on setting up pool by collecting rain or snow water, and digging channels and canals.

(Amendments were introduced by revised law of August 17, 2012)

28.5. Legal person, specified in 28.4 of the present law shall bring out its conclusion within 15 days, following the date of the receipt of the request for water use.

28.6. Permission for use of water shall be issued as follows: basin administration for use of water over 100 m³ per day and aimag, capital city environment authority for use of water 50-100 m³ per day and the soum, district governors for use of water less than 50 m³ per day and every issuance of permission shall be entered in water database.

28.7. Organization in charge of domestic centralized water supply shall obtain a conclusion of the state administrative central organization in charge of environment and get water use permission from the basin administration.

(Amendments were introduced by revised law of August 17, 2012)

28.8. Water use permission for citizens, economic entities and organizations shall be granted for 10 years and the right to use water shall be prolonged for another 5 subsequent years if the water user fulfills its contract obligation satisfactorily.

28.9. Valid period of water use permission for the utilization of water for strategically important mineral deposits shall be same as exploitation license.

28.10. Land title of citizens, economic entities and organization shall not represent the right to use water in the land of their procession.

28.11. With the issuance of title for water use, on the basis of permission, specified in 28.6 of the present law and the conclusion of contract, the right to use water shall enter into force for citizens, economic entities and organizations.

28.12. Citizens, economic entities and organizations may use water resource jointly on the basis of contract.

28.13. In case of using water resource, determined by public budget funded survey the water user shall reimburse the expenses concerning hydrological exploration and survey.

28.14. Water resource determined by the economic entity by its own capital and its guaranteed quantity of usable water resource is to ensure the profitable performance during the period of the implementation of the project of relevant entity then no water use right shall be issued overlapping that particular water resource to other entity.

28.15. In case the potential usable water resource determined by the economic entity by its own capital exceeds the requirement for its project implementation then it could be used for other economic entity on the basis of conclusion drawn by the state administrative central organizations in charge of nature, environment and the hydrological exploration and survey cost shall be reimbursed as per the portion of the transferred resource to relevant entity.

(Amendments were introduced by revised law of August 17, 2012)

28.16. Provisions 28.14 and 28.15 of the present law shall not apply to the use of water for drinking, domestic and environment protection purposes.

28.17. Cabinet member in charge of nature and environment shall determine the service fee for the conclusion of water use, and approve the sample of title of water use and contract.

28.18. It is prohibited to use water without conclusion on water use and relevant permission and arbitrarily digging holes.

28.19. It is prohibited to bring out conclusion on water use for industries and services with technology of negative impact on environment.

Article 29. Conclusion and termination of contract on water use

29.1. Contract shall be concluded with the centralized water supply resource water user by the water supplying organization and with those water users of non-centralized water supply by basin administration, aimag and capital city environment authority and governors of soum and districts.

29.2. The following shall be included in the water utilization contract:

29.2.1. decision on water use;

29.2.2. purpose of the use of water, quantity of per day use, water quality and composition;

29.2.3. location of water resource, design and project of water facilities;

29.2.4. quantity of waste water, standard requirement, removal point, location, permission for removal of waste water;

29.2.5. unit price of water use;

29.2.6. amount of payment per unit polluting substance contained in waste water;

29.2.7. measures to be taken to protect water resource and prevent water depletion and pollution and amount of capital to be spent for these purposes;

29.2.8. rights and obligations of contract parties;

29.2.9. other required materials.

29.3. Contract concluded with citizens, economic entities and organizations may be terminated before its expiry by the initiative of the permission issuer under the following circumstances:

29.3.1. failure to fulfill duty and contract obligation by the water user;

29.3.2. violation of provisions of environment protection and water legislations;

29.3.3. failure to settle payment for water use and pollution in due time;

29.3.4. polluting the water resource;

29.3.5. no installation of water meter and adjustment equipment or false calculation of used water;

29.3.6. by the decision of the basin administration.

Article 30. Duty of water users and requirements to meet

30.1. Water user shall have the following duties:

30.1.1. to use water according to the amount specified in water use permission and contract;

30.1.2. in accordance to 31.7 of the Environment protection law, the water user of over 50 m³ water per day shall have internal control point, equipments and instruments and to employ water utilization manager in charge of water consumption;

30.1.3. to obtain permission for removal of waste water, to purify polluted water, generated during the process of utilization, up to the requirement of standard and to circulate to centralized sewage network or remove directly;

30.1.4. to install meter at water distribution points, underground water holes and pipes;

30.1.5. to settle payments for water and mineral water consumption;

30.2. Mineral water user shall have the duties, in addition to that specified in 30.1 of the present law:

30.2.1. to carry out regime observation of mineral water, mineral lakes, medical treatment mud composition, quality evaluation and get verified and to keep book recording of their use and to submit result information to basin administration;

30.2.2. to construct and use treatment facility for waste water and mineral water, generated in the process of utilization or to remove directly;

30.2.3. to put signs and fences in the boundaries of mineral water hygiene and restricted zones in order to protect mineral water deposit against pollution and depletion.

30.3. Waste water treatment facilities of industries, economic entities and organizations, engaged in production using radioactive substance shall be equipped with special technology capable for complete purification;

30.4. Industrial purpose water resource and pipes shall be separated from water resource and pipes of centralized drinking and domestic water supply in cities and dwellings;

30.5. It is prohibited to construct any water facilities, water pools, dams and canals without facilities designed to protect biological resources and water evaporation, and might have impact on soil gets marshy, saline and erosion.

30.6. Economic entities and organizations engaged in mining exploitation shall get water for enriching the minerals through pump and pipes without altering river banks and river-bed;

Article 31. Water use Fees

31.1. An individual, economic entity or an organization, using water and mineral waters shall be subject to a fee.

31.2. Fee for water exceeding the permitted quantity shall be calculated by escalated rate up to 50 percent and the procedure for escalated rate estimation will be developed by the state administrative central organizations in charge of nature, environment and approved by the Government.

31.3. Fees for water use shall be set by law.

CHAPTER FIVE

WATER CONSTRUCTIONS AND FACILITIES

Article 32. Water constructions and facilities

32.1. Project design of water facilities shall be developed and will be executed only by special professional organization.

32.2. The state administrative central organizations in charge of construction and urban development shall take a decision on the construction of water facilities of national importance, except those set out in 32.8 of the present law, on the basis of environment impact assessment, conclusion of basin administration and recommendation of aimag, capital city governor.

32.3. Water constructions and facilities may be leased for use and possession of individuals, economic entities and organizations through contract.

32.4. Rights to use and possess of water facilities shall be awarded up to five years with condition of further extension.

32.5. Individuals, economic entities and organizations in possession of the water facilities shall have the obligation meet the demand of water supply of others on the basis of contract and in case of failure to fulfill its obligation, the contract concluded with individuals, economic entities, organizations may be terminated by basin administration, aimag, capital city environment authority, soum and district governors.

32.6. Water facilities constructed or renovated by the capital of individuals, economic entities and organizations may be their property but the water resource shall be the public property.

32.7. Main facility, designed to adjust and distribute water for centralized water supply, sewage and water resource shall be the property of state owned or limited liability organization.

32.8. The state administrative central organizations in charge of food, agriculture shall take a decision on the construction, renovation and repairing of irrigation system on the basis of environment impact assessment, conclusion of basin administration, and recommendation of aimag, capital city governor.

32.9. Owner of water facilities shall supply water to individuals, economic entities and organizations on the basis of their request and contract.

32.10. Water facilities shall have passport.

CHAPTER SIX

LIABILITIES

Article 33. Liabilities for Violations of the Legislation on Water

33.1. A judge or an inspector for environmental protection shall charge violators of the legislations on water with the following administrative punishments, with reimbursement of damage to nature, if the violation is not of criminal nature:

33.1.1. Violation of the provisions 5.4, 6.5, 7.5 of the present law: a fine for individuals shall be equal to three to five times of monthly minimum wage, for officials five to ten times, for economic entity and organization five to twenty times of monthly minimum wage;

33.1.2. Violation of 11.1.4 of the present law: a fine for officials shall be five to fifteen times of minimum wage and reimbursement of damage caused;

33.1.3. Violation of 7.3, 12.1.4, 13.1.6, 15.1.4 of the present law: a fine for officials shall be fifteen to thirty times of

monthly minimum wage and reimbursement of damage caused;

33.1.4. Violation of 13.1.3 of the present law: a fine for officials shall be ten to twenty times of monthly minimum wage and reimbursement of damage caused;

33.1.5. Violation of 17.1.9 of the present law: a fine for officials shall be fifteen to twenty five times of monthly minimum wage and reimbursement of damage caused;

33.1.6. Violation of 22.2.1 of the present law: a fine for individuals shall be twenty to forty times of monthly minimum wage, for entities and organizations shall be forty to fifty times of monthly minimum wage and reimbursement of damage caused;

33.1.7. Violation of 22.6, 22.15 of the present law: a fine for individuals shall be twenty five to forty times of monthly minimum wage, for entities and organizations shall

be thirty to fifty times of monthly minimum wage and reimbursement of damage caused;

33.1.8. Violation of 22.11, 22.12, 22.13 of the present law: a fine for individuals shall be ten to twenty times of monthly minimum wage, for entities and organizations shall be thirty to fifty times of monthly minimum wage and reimbursement of damage caused;

33.1.9. Violation of 22.8, 22.17, 24.1, 24.4, 27.4, 28.18, 30.3, 30.5, 30.6 of the present law: a fine for individuals shall be five to ten times of monthly minimum wage, for entities and organizations shall be twenty to fifty times of monthly minimum wage and reimbursement of damage caused;

33.1.10. Violation of Article 30 of the present law, regarding the failure to fulfill the obligation and requirement: a fine for individuals shall be ten to twenty times of monthly minimum wage, for entities and organizations shall be forty to fifty times of monthly minimum wage and reimbursement of damage caused;

33.1.11. Violation of 28.7, 28.19 of the present law: a fine for officials shall be twenty to forty times of monthly minimum wage, for entities and organizations shall be forty to fifty times of monthly minimum wage;

33.1.12. A fine for officials shall be five to fifteen times of monthly minimum wage for failure to timely deliver registration and accurate statement and information of water use and waste water;

33.1.13. In case of the use of water for different purpose rather than specified in the contract or use of water without permission, or hushing up the excessive use water than specified in the contract or evading to pay for excessive amount of water used, a fine for violation shall be for individuals ten to twenty times of monthly minimum wage, for entities and organizations twenty to forty times of monthly minimum wage and with confiscation of illegally accumulated income and termination of the right to use water;

33.1.14. Failure to pay water use and water pollution fee in due time, a fine shall be for water user twenty to thirty times of monthly minimum wage;

33.1.15. A fine for water user who sold or transferred water use permission to others shall be fifteen to thirty times of monthly minimum wage;

33.1.16. In case of non-compliance with the obligation of water and mineral water use, to terminate or suspend the right to use water until the breach is eliminated and the measures of termination, limit or cease of water use right shall not remit the guilty person from other legal liabilities.

CHAIRMAN OF THE STATE GREAT HURAL

D. DEMBEREL