

CHAPTER ONE

General Provision

Article 1. Purpose of this Law

The purpose of this Law is to regulate the possession, use, and other related issues of land by citizens, economic entities, and organizations.

Article 2. Legislation on Land

1. The legislation on land shall consist of the Constitution of Mongolia, this Law and other legislative acts issued in conformity with them.

2. Use and conservation of underground resources, forests, water, air, flora, fauna and other natural resources shall be regulated by the appropriate legislative acts.

Article 3. Legal Definitions

The terminology used in this Law shall be interpreted as follows:

1/ the term "land" shall mean the land surface, subsoil, forest, water and plants;

2/ the term "land ownership" shall mean the management of land with the right to dispose thereof within the framework allowed by law;

3/ the term "land possession" shall mean the management of land within the framework allowed by law and in accordance with contract with no right to dispose thereof;

4/ the term "land use" shall mean the use of a particular land feature within the framework allowed by law and contract with no the right to dispose thereof;

5/ the term "land release" shall mean the preparation of land for return to the owner by transferring construction and other property on the land and improving the land to pursuant law and contract on land possession and use upon the expiration of land possession and use tenure.

Article 4. State Land Principles

The State shall ensure the following land principles:

1/ land shall be under state control and protection;

2/ the land territory shall be unified;

3/ equity and justice shall be ensured for the ownership, possession, and use of land;

4/ land shall be used efficiently and rationally according to the conditions and procedures stipulated by law;

5/ activities which are contrary to human health,

environmental protection, national security, and environmental balance shall be prohibited.

Article 5. Land Ownership

1. Land, other than that owned by citizens of Mongolia, shall be the property of the State.

2. Only citizens of Mongolia may own land, other than pastures, common-use land, and land for state special needs.

3 Land ownership by citizens of Mongolia shall be regulated by a appropriate law.

Article 6. Land Possessor and User

1. Citizens of Mongolia having reached age 18 (hereinafter referred to as □ citizens□), economic entities, and organizations shall possess and use land in accordance with this Law.

2. Land may be used by foreign legal entities, citizens, and stateless persons pursuant the fees, terms, and other conditions established by law.

Article 7. Land Fees

1. Citizens, economic entities and organizations possessing and using land shall pay a land fee pursuant to legislation and contract.

2. The maximum and minimum amount of the land fee, as well as the procedures for land fee discounts and exemptions shall be established by law.

3. Land fee revenues shall be deposited in the local budget and an appropriate part of the revenues shall be spent on land protection and restoration.

Article 8. Border Mark Geographic Names and Land Territory Map and Geographic Names

1. Each administrative and territorial unit shall have a map of the border mark geographic names and the land territory.

2. Maps of border mark geographic names at a scale of no less than 1:25,000 shall be approved by the Ikh Khural and a map of the land territory shall be approved by the authorized government organization.

3. A set of national border mark geographic names and land territory maps for territorial and administrative units shall be archived by the authorized government organization and a set of Aimag, Capital City, Soum and Duureg border mark geographic names and land territory shall be archived by the Governor of the corresponding level.

4. Procedures on archiving, using, and amending maps of border mark geographic names and land territory shall be established by the authorized government organization.

5. The traditional geographic name shall be considered

official upon approval of border mark and geographic name maps for the administrative and territorial units by the State Ikh Khural. Only the State Ikh Khural may change the official geographic name.

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

CHAPTER TWO

The Unified Land Territory of Mongolia and its General Classification

Article 9. Unified Land Territory

1. Regardless of the form of ownership, all the land within the borders of Mongolia shall belong to the Unified Land Territory.

2. The Unified Land Territory shall be classified according to its primary purpose and needs for use.

Article 10. Unified Land Territory General Classifications

The Unified Land Territory of Mongolia shall be classified as follows:

- 1/ Agricultural Land;
- 2/ Cities, Villages and Other Settlements Land;
- 3/ Transportation and Network Land;
- 4/ Forest Resources Land;
- 5/ Water Resources Land;
- 6/ Reserve Lands.

Article 11. Agricultural Land

Pasture, hayfields, cultivated land, planted areas, fallow land, and other land allocated for agricultural construction and production shall be referred to as Agricultural Land.

Article 12. Cities, Villages, and Other Settlements Land

1. The land containing cities, villages and other settlements, construction industries, mining, and common use land shall be referred to as Cities, Villages, and Other Settlements Land.

2. Streets and squares in cities, villages and other settlements, as well as camps, entertainment and sport facilities, parks, cemeteries, garbage sites and treatment areas not possessed by citizens, economic entities or organizations shall be referred to as Common Use Land.

Article 13. Transportation and Network Land

Land outside cities, villages and other settled areas allocated for energy, thermal heating, water supply, postal routes, communication, and transportation shall be referred as the Transportation and Network Land.

Article 14. Forest Resources Land

Land containing forests, saxual, stumps, meadows, and strips, as well as land allocated for growing forests and forest edges with the potential to grow forests shall be referred to as Forest Resources Land.

Article 15. Water Resources Land

Land containing bodies of water such as rivers, lakes, ponds, springs, glaciers, and riparian zones shall be referred to as Water Resources Land.

Article 16. Reserve Land

All land, other than that included in paragraphs 1, 2, 3, 4, and 5 of Article 10 of this Law, shall be referred to as Reserve Land.

CHAPTER THREE

Special Needs Land

Article 17. Special Needs Land

1. Mongolia shall have Special Needs Land.

2. Aimag, Capital City, Soum and Duureg may have Special Needs Land.

3. Land of any classification from the Unified Land Territory may be taken for State, Aimag, Capital City, Soum or Duureg special needs.

Article 18. Special Needs Land Designations

The following land shall be considered Special Needs Land:

- 1/ land under state special protection;
- 2/ border strip lands;
- 3/ land allocated for ensuring national defense and security;
- 4/ land allocated to foreign resident diplomatic representatives, consuls, and resident representatives of international organizations;
- 5/ state livestock herding roads;
- 6/ inter-Aimag reserve pastures;
- 7/ state fodder resource hayfields;
- 8/ land for state travel, tourist, and treatment centers;
- 9/ land for scientific and technological tests and experiments and permanent environmental and weather prediction observation sites.

2. Aimag, Capital City, Soum and Duureg may take land for their special needs for the designations listed in subparagraphs 1, 5, 6, 7, and 8 of paragraph 1 of this Article and in accordance with their rights.

Article 19. Taking Land for Special Needs

1. The State Ikh Khural shall make decisions on taking land for state special needs for the designations listed in subparagraphs 1, 2, and 4 of the paragraph 1 of Article 18

of this Law and the Government shall make decisions on taking land for the state special needs for the other designations listed above.

2. The Aimag and Capital City Citizen Representative Khurals shall make decisions on taking land for Aimag and Capital City special needs at the request of the respective Governor of the administrative and territorial unit and the Soum and Duureg Citizen Representative Khurals shall make decisions on taking land for Soum and Duureg special needs at the request of the respective Governor.

CHAPTER FOUR

State and Local Self-Governing Organizations Plenary Rights on Land Relations

Article 20. Plenary Rights of the State Ikh Khural

1. The State Ikh Khural shall exercise the following plenary rights on land relations:

- 1/ determine the state general policy on land;
- 2/ establish the maximum and minimum amount for land fees;
- 3/ take land for the purposes indicated in subparagraphs 1, 2, and 4 of paragraph 1 of Article 18 for State special needs and determine the size and boundary of that land.
- 4/ determine the size and location of land used by foreign legal entities or international organizations in order to implement regional international projects and measures or create special economic zones.

Article 21. Plenary Rights of the Government

1. The Government shall exercise the following plenary rights on land relations:

- 1/ implement the State general policy on land and organize and ensure the implementation of legislation on land;
- 2/ determine basic land assessments and establish land fees and in accordance with limits established by the State Ikh Khural;
- 3/ establish procedures for taking land other than the land indicated in subparagraphs 1, 2, and 4 of paragraph 1 of Article 18 of this Law for State special needs or transferring it to its authorized organization and establish the size, boundary and use procedures for the land;
- 4/ establish the procedures for border use for the land indicated in paragraph 4 of Article 20 of this Law;
- 5/ in agreement with the State Ikh Khural, make decisions on land to be used by foreign legal bodies;
- 6/ provide compensation for land changed or taken back for State special needs;
- 7/ establish procedures for writing records and reports on the State Unified Land Territory and on certifying State land characteristics and quality;
- 8/ make decisions on the temporary use of land close to the border by foreign economic entities and organizations

for pasture and haymaking purposes.

2. The authorized government organization shall exercise the following plenary rights on land relations:

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

2/ identify land for general classifications and transfer land from one classification to the other;

3/ develop the State General Land Management Plan, conduct overall land management, and organize land management between administrative and territorial units;

4/ make decisions on land use by citizens, economic entities and organizations of land for State special needs other than those stated in subparagraph 4 of paragraph 1 of Article 18 of this Law in accordance with legislation;

5/ annually consolidate and present to the Government a joint report on the State Unified Land Territory records, land allocation, use, protection, and changes.

Article 22. Plenary Rights of Aimag and Capital City Citizen Representative Khurals and Governors

1. Aimag and Capital City Citizen Representative Khurals shall exercise the following plenary rights on land relations:

1/ conduct control over the implementation of legislation on land as well as their own decisions and, where necessary, discuss the Governor's report on the issues;

2/ upon submission by the Governor, discuss and approve the annual program on land possession, use, and protection in the territory;

3/ upon the Governor's request, take land other than land possessed by citizens, economic entities, and organizations for Aimag and Capital City special needs, establish the size and boundaries, as well as the procedures on use.

2. Aimag and Capital City Governors shall exercise the following plenary rights on land relations:

1/ implement the State general policy on land in their territory, organize and ensure the implementation of legislation on land;

2/ prepare a draft annual program on land possession, use, and protection for Aimag and Capital City in agreement with the authorized government organization and submit it to the Aimag and Capital City Citizen Representative Khurals;

3/ upon the agreement with the relevant Soum and Duureg Governor, submit requests for taking land for Aimag and Capital City special needs, other than land possessed by citizens, economic entities and organizations and submit the request to Aimag and Capital City Citizen Representative Khurals;

4/ upon consideration of the Soum and Duureg Governor's proposal, make decision on land use by citizens, economic entities, and organizations whose activities and production are important for Aimag and Capital City development;

5/ make decisions on use of Aimag and Capital City special needs land by citizens, economic entities, and organizations;

6/ annually supervise, consolidate, and submit to the authorized government organization a report on Soum and Duureg Unified Land Territory, land allocation, use, protection, and change.

Article 23. Plenary Rights of the Soum and Duureg Citizen Representative Khurals and Governors

1. Soum and Duureg Citizen Representative Khurals shall exercise the following plenary rights on land relations:

1/ control implementation of legislation on land, as well as their own decisions and, if necessary, discuss the Governor's report on the issues;

2/ upon submission by Governor, approve land management planning in their territory;

3/ upon the Governor's request, take land other than that possessed by citizens, economic entities and organizations for Soum and Duureg special needs and establish the size and boundaries as well as procedures on use.

2. Soum and Duureg Governors shall exercise the following plenary rights on land relations:

1/ organize and ensure the implementation of legislation on land in their territory

2/ conduct control over whether land possessors and users are using and protecting land and its resources efficiently, rationally and in accordance with law and contract in their territory;

3/ contribute proposals to the annual draft program on land possession, use, and protection in Aimag and Capital City and, pursuant to the approved program, draft Soum and Duureg land management program and submit it to the Soum and Duureg Citizen Representative Khurals;

4/ make requests on taking land for Soum and Duureg special needs other than that possessed by citizens, economic entities and organizations and submit it to the Soum and Duureg Citizen Representative Khurals;

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

6/ make decision on land use Soum and Duureg special needs land by citizens, economic entities, and organizations;

7/ impose land fees on land possessors and users in accordance with the procedures and amounts established by legislation and organize the collection of such fees;

8/ write and submit to the higher level Governor the report on Soum and Duureg Unified Land Territory, land allocation, use, protection and change.

Article 24. Plenary Rights of Bag and Khoroo Citizen Public Khurals and Governors

1. Bag and Khoroo Citizen Public Khurals shall have the following plenary rights on land relations:

- 1/ regulate common use land not allocated for possession or use by others;
- 2/ make a seasonal schedule for the pastures not allocated for possession or use by others and distribute area for haymaking;
- 3/ ensure hygienic and sanitary requirements for common use land in the Bag or Khoroo territory;
- 4/ upon the Governor's request, allocate to citizens those winter and spring settlements not possessed or used by others;
- 5/ hear the Governor's report on control over the implementation of the requirements on efficient and rational land use and protection by land possessors and users.

2. Bag and Khoroo Governors shall exercise the following plenary rights on land relations:

- 1/ conduct control over and ensure the implementation the legislation on land and the common requirements on efficient and rational use and protection of land;
- 2/ ensure implementation of the decisions made by higher level organizations and the Bag and Khoroo Citizen Public Khurals on land use and protection;
- 3/ be responsible for common use land use, protection, hygiene, and sanitary in the territory.

CHAPTER FIVE

Land Management, Records and Reports on Unified Land Territory

Article 25. Land Management and its Financing

1. Land management is a complex of activities aimed at implementing the legislation on land, efficient and rational land use, protection, increasing economic capacity reserves, and creating a geographically favorable environment.

2. Measures on land management shall be implemented by the Certified Organization entitled by an authorized government organization pursuant to the decisions made by the Government, its authorized organizations, Governors of all levels, and the requests of land possessors and user.

3. The Government shall establish procedures on land management.

4. The relevant citizens, economic entities and organizations shall comply with the decisions on conducting land management made by the Government, its authorized organizations, and all level Governors.

5. Land management shall be financed as follows:

- 1/ from the State central budget for land management related to establishing and amending the border marks for administrative and territorial units and for determining regional development potential;
- 2/ from the local budget for land management of Aimag, Capital City, Soum, Duureg, Cities, Villages and other

Settled Areas;

3/ citizens, economic entities, and organizations possessing or using land shall finance the land management done on their land.

Article 26. Unified Land Territory Records and Reports

1. Records on Unified Land Territory shall include indicators such as Unified Land Territory allocation status to land possessors and users, the land size, assessment, payment, characteristics, and protection activities in the administrative and territorial units.

2. Maps indicating land allocation, use, protection and change shall be attached to the Unified Land Territory report.

3. The Government shall approve the forms and filing procedures for Unified Land Territory records and reports.

4. the respective Soum and Duureg Governor shall write a Unified Land Territory report by October 1st each year and submit it to the Aimag and Capital City Governor by November 15th of that year and the respective Aimag and Capital City Governor shall write a Unified Land Territory report and submit it to the authorized government organization by December 31st of that year.

5. The authorized government organization shall present annual state Unified Land Territory report to the Government by February 15th of the following year.

CHAPTER SIX

Land Possession and Use

Article 27. Land Possession

1. State owned land shall be possessed by citizens, economic entities, and organizations of Mongolia pursuant to contract and the conditions and duration stipulated in this Law.

2. Citizens, economic entities, and organizations may use jointly the same land.

3. Citizens, economic entities, and organizations shall have the preferential right to possess land in the Soum or Duureg where they reside.

Article 28. Size and Location of Land to be Possessed

1. The size of the fenced ger or house land to be possessed by a citizen for family needs shall not exceed 0.05 hectares.

2. In addition to the fenced ger or house land for citizens living in cities, villages and other settled areas, a citizen may possess land for family needs such as vegetable, fruit, and fodder cultivation. The size of the land shall not exceed 0.1 hectares.

3. Soum and Duureg Citizen Representative Khurals shall establish the maximum size and location of land to be possessed by citizens for the purposes described in the paragraph 2 of this Article upon consideration of population density, land reserves, and the number of family members.

4. The area for vegetable, fruit, and fodder cultivation may be located either next to the family's fenced ger or house or in a location specially designated for this purpose.

5. The Government shall establish the maximum size of land to be possessed by economic entities for production and service activities.

6. Soum and Duureg Governors shall establish the size and location of land to be possessed by economic entities upon consideration of production capacity.

7. Soum and Duureg Governors shall establish the size and location of land to be possessed by organizations upon consideration of the requirements for the activities.

Article 29. Duration of Land Possession

1. Pursuant to contract, state owned land may be possessed by citizens, economic entities, and organizations of Mongolia for a period up to 60 years. The land possession contract term extension shall not exceed 40 years at a time.

2. A citizen may transfer the land possession right through inheritance.

3. In the event the land possessor is dead, or announced dead, or considered disappeared, the legal inheritor may transfer the land possession contract to their name and possess the land up to the expiration of the term established in the first contract.

Article 30. Writing and Receiving Land Possession Requests

1. Citizens, economic entities, and organizations shall submit their land possession requests to Soum and Duureg Governors.

2. Citizens shall include the following in their land possession requests:

1/ family name, name, address of permanent residence, passport and registration number;

2/ a map showing the size, location, and administrative and territorial jurisdiction of the land to be possessed;

3/ purposes and duration of the land possession.

3. Economic entities and organizations shall include the following in their land possession requests:

1/ name, jurisdiction, address, and residence of the economic entity or organization;

2/ a copy of the economic entity's contract, status, and state registration certificate;

3/ production capacity and main technical and economic statement indicators;

4/ a map showing the size, location, and administrative and territorial jurisdiction of the land to be possessed;

5/ type of production or service, purpose of land possession, duration and proposal on land use and protection;

6/ a location scheme for the production facility of the economic entity.

4. Citizens, economic entities, and organizations shall attach payment ability guarantee to the land possession request.

5. Upon receipt of a land possession request, the Soum and Duureg Governors shall immediately determine if there is any other person interested in the possession and use of the land by publishing the request.

Article 31. Making Decisions on Land Possession.

1. Upon reviewing the condition described in the paragraphs 2, 3, 4 and 5 of the Article 30 of this Law, Soum and Duureg Governors shall make a decision on the possession of state owned land by citizens, economic entities, and organizations.

2. The decision shall give a detailed description of the name and address of the land possessor, the size and location of the land to be possessed, and state whether there shall be single or joint possession of the land. In the event of refusal of the land possession request, the justification and reason for it shall be clearly stated.

3. In the event two or more persons request possessing of the same land, then Soum and Duureg Governors choose between them after consideration of the administrative and territorial jurisdiction in which the legal bodies reside, their payment ability, the purpose for land use, the efficiency of the use, and the impact on the environment and land.

4. Any dispute arising in connection with the decision on land possession shall be settled according to subparagraph 1 of paragraph 1 of Article 56 of this Law.

Article 32. Land Possession Contract and Procedures for its Conclusion.

1. Based on the land possession decision, the official appointed by the Soum and Duureg Governors shall enter into a contract on land possession with citizens, economic entities, and organizations, and then grant a certificate and register the contract with the State Registry.

2. The following shall be included in the land possession contract:

1/ justification on land possession (appropriate decision);

2/ purpose of land possession;

- 3/ a map showing the size, location and boundary of the land
- 4/ land characteristics and quality;
- 5/ duration of land possession;
- 6/ land fee amount and payment deadline;
- 7/ rights, responsibilities, and obligations of the contracting parties;
- 8/ agreement on construction and other properties upon expiration of land possession right;
- 9/ conditions and procedures for altering or taking the land possessed with compensation;
- 10/ other issues considered necessary.

3. A State certificate on characteristics and quality for land allocated for possession shall be attached to the land possession contract.

4. Implementation of the land possession contract shall be evaluated annually by the parties.

Article 33. Land Possessor Rights and Obligations

1. Land possessors shall have the following rights:

- 1/ to use land according to the purposes described in the land possession contract;
- 2/ to obtain from the land owner the State certificate on land characteristics and quality;
- 3/ require violators to compensate damage caused to land pursuant to established procedures;
- 4/ to partially or completely transfer the land possessed for use by others during the land possession contract term pursuant to approval by the legal body which made the land possession decision;
- 5/ upon expiration of the contract term, to extend the contract for possession provided they have complied with legislation on land and the land possession contract.

2. Land possessors shall have the following obligations:

- 1/ to comply with the conditions described in the land possession contract;
- 2/ to comply with legislation on the efficient and rational use of land, protection of the land, and environmental protection and the common requirements established by the State authorized organization for citizens, economic entities, and organizations in relation to land use;
- 3/ to pay the land fee in a timely manner;
- 4/ to obtain a State certificate on land characteristics and quality pursuant to established procedures;
- 5/ to respect the rights and legal interests of others on land possession and use.

Article 34. Expiration of Land Possession Right

1. The right to land possession shall expire in the following circumstances:

- 1/ when land possession contract term expires;
- 2/ where the land possessor is announced dead or considered disappeared and it is determined that there is no legal inheritor or where an economic entity or organization possessing land has been dissolved;
- 3/ where the land possessor submits a letter requesting termination of the land possession contract.

2. The person who made the decision on land possession shall terminate the right on land possession in the following circumstances pursuant to administrative procedures:

- 1/ for consistent or serious violation by the land possessor of land legislation obligations and land possession contract conditions;
- 2/ where it is determined that the land was uses contrary to human health, environmental protection, and national security interests;
- 3/ when the land is taken for State special needs.

Article 35. Land Release upon Expiration of Land Possession Right

1. Citizens, economic entities, and organizations possessing land shall release the land within 90 days of the expiration of the land possession right and transfer it to Soum and Duureg Governors unless otherwise indicated by law or land possession contract.

2. According to paragraph 1 and subparagraphs 1 and 2 of paragraph 2 of Article 34 of this Law, all expenses related to the land release shall be covered by the former land possessor.

3. Where the land possessor has submitted a request to terminate the land possession contract based on the Certified Organization's evaluation that the land is no longer suitable for the original purposes due to natural disaster or other sudden emergency, the land restoration expenses may be allocated from the State central or local budget. However, the expenses for transferring construction and property shall be covered by the former land possessor.

Article 36. Changing or Taking Back Land Possessed by Others with Compensation Before Contract Term Expiration

1. The authorized government organization may recommend that the Government change or take back, in part or in whole, with compensation, the land possessed by citizens, economic entities, and organizations for State special needs prior to expiration of the contract term and after agreement with the land possessor.

2. Upon consideration of authorized government organization's recommendation on changing or taking back, in part or in whole, with compensation, the land possessed by others and the agreement with the land possessor, the Government shall make an appropriate decision on the issue.

3. Pursuant to the Government decision described in the

paragraph 2 of this Article, the authorized government organization shall change or take back the land with compensation by entering into a contract with citizens, economic entities, and organizations possessing land through Soum and Duureg Governors.

4. In the event land of gers or houses is changed or taken back with compensation, the land release activity shall be carried out only between May 15th and September 15th.

5. Any dispute arising in relation to changing or taking back land possessed by others with compensation shall be settled according to the subparagraph 1 and 4 of paragraph 1 of Article 56 of this Law.

Article 37. Granting Compensation for Changing or Taking Back Land Possessed by Others Prior to Contract Term Expiration

1. Citizens, economic entities, and organizations possessing land shall release and transfer the land to the Soum and Duureg Governors within 90 days after entering into the contract described in paragraph 3 of Article 36 of this Law if not otherwise indicated by law or contract.

2. Upon consideration of the release agreement with the land possessor, the value of immovable construction, other property, and the costs for land release estimated at the time, shall be reflected in the decision on changing or taking back with compensation the land possessed by others.

3. Upon entering into the contract described in the paragraph 3 of the Article 36 of this Law, the compensation for the land possessor shall be transferred from the State central budget to the Soum and Duureg Governors.

4. The Soum and Duureg Governor shall forward the compensation to citizens, economic entities, and organizations formerly possessing land within 60 days after entering into the contract if not indicated otherwise in the contract described in paragraph 3 of Article 36 of this Law.

5. The land possessor shall release the land within 30 days after the compensation has been paid in full if it is not otherwise indicated in the contract described in paragraph 3 of Article 36 of this Law.

6. Compensation for changing or taking back the land possessed shall not apply to the land user.

Article 38. Land Use

1. State owned land may be used by citizens, economic entities, and organizations pursuant to the specific purposes, duration, and conditions established by contract and in accordance with legislation.

2. The following land shall be commonly used if not otherwise indicated by law regardless of whether it is allocated for possession and use by others:

- 1/ water sources in pastures and saltlick areas
- 2/ Common Use land in Cities, Villages or Other Settled Areas;
- 3/ Transportation and Network Land;
- 4/ Forest Resources Land;
- 5/ Water Resources Land.

3. Paragraphs 1, 3 and 4 of Articles 30, 31 and Article 32 as well as subparagraphs 1 - 8 and 10 of paragraph 2 of Article 32 shall be followed in making land use requests, reviewing and making decisions on the requests, and writing and establishing land contracts and conditions.

4. Upon the consent of the legal body who made decision on land possession, the land possessor may transfer, in whole or in part, their for use by others.

5. In the situation described in the paragraph 4 of this Article, the land possessor and the land user shall enter into a contract which shall include the provision stated in subparagraphs 1-8 and 10 of paragraph 2 of Article 32 of this Law in relation to land use.

Article 39. Land User Rights and Obligations

Land users shall have the rights and obligations described in subparagraphs 1 and 2 of paragraph 1 of article 33 and paragraph 2 of the same Article of this Law and other legislation.

Article 40. Using Land Possessed and Used by Others for Common Use and Special Needs

1. Based on prior agreement and a contract between the Government, Aimag, Capital City, Soum and Duureg Governors, and land possessors and users, the State owned land possessed or used by others may be used for Common Use and Special Needs and for a certain period of time with or/without fees.

2. Based on essential social needs, the Government may make an administrative decision on using land possessed or used by others for Common Use and for Special Needs with or without fees until the needs finish.

Article 41. Transferring On-Land Property Rights upon Expiration of the Land Possession or Use Right

1. Upon expiration of the land possession or use right, the rights of the owner to use their construction and other property on the land shall also expire if not otherwise indicated in the contract described in paragraph in Article 32, or paragraph 3 of Article 36 3 of Article 38 of this Law.

2. Upon expiration of the land possession and use right, citizens, economic entities, and organizations formerly possessing and using the land shall return the land to its original condition if not otherwise indicated in the contract described in Article 32, in paragraph 3 of Article 36 and in the paragraph 3 of Article 38 of this Law.

3. All disputes arising in connection with construction and other property on the land upon expiration of the land possession and use right shall be settled according to subparagraph 4 of paragraph 1 of Article 56 of this Law.

Article 42. Entering and Crossing Land Possessed or Used by Others

1. Persons may enter or cross land the possessed or used by others, if the land is not specially protected by such means as posting warning signs or constructing fences which prohibit entering or crossing the land, without causing damage to the land.

2. The authorized government organization shall establish a sample warning sign as described in paragraph 1 of this Article and their use procedures.

Article 43. Using with Limited Rights Land Possessed or Used by Others

1. To use and protect their property, owners of immovable property shall have the right to demand to use land, with limited rights, possessed or used by others for constructing roads, power lines, communication and engineering lines, building entrance stations, or for other purposes which cross land possessed and used by others.

2. A limited land use right shall be created pursuant to an agreement between the land possessor or user and the person demanding to use the land with limited rights.

3. Land possessors and users shall have the right to require a person using land with limited rights to terminate their land use if it renders the land unusable for the original purposes.

4. Any disputes arising from using land with limited rights shall be settled according to subparagraph 4 of paragraph 1 of Article 56 of this Law.

Article 44. Preserving Limited Land Use Rights

1. In the event land possession or use is transferred to other legal person, the limited land use right shall be preserved.

2. It is prohibited to transfer limited land use rights to person who are not the owner of the property described in paragraph 1 of Article 43.

Article 45. Land Use by Foreign and International Organizations or Legal Entities

1. Where necessary, the principle of mutual treatment shall be observed in establishing the land size and fee amounts for land use by foreign diplomatic resident representatives, resident consuls, or international resident representatives.

2. Conditions and procedures for land use by resident foreign diplomatic representatives or resident consuls, and

resident international representatives shall be established by international treaties to which Mongolia is a signatory.

3. The Government shall make a decision on land use by foreign legal bodies pursuant to the procedures described in subparagraph 5 of paragraph 1 of Article 21 of this Law.

Article 46. Land Use by Economic Entities with Foreign Investment

1. Land use by an economic entities with foreign investment shall be regulated by the relevant provisions of this Law unless otherwise indicated in the Law on Foreign investment.

2. Land fees for land used by economic entities with foreign investment shall be equal to the fees for similar land possessed by Mongolian economic entities. Where necessary, land fee standards followed in the region or in the investing country may be used.

3. Exemptions from land fees for a certain period of time and discounts for economic entities with foreign investment engaged in land protection and restoration, or are using environmentally safe technology shall be established according to the conditions described in paragraph 2 of Article 7 of this Law.

4. In the event two or more economic entities with foreign investment request to use the same land, the selection shall be made upon consideration of the following criteria:

- 1/ land use purposes;
- 2/ ability to guarantee financial assets for production;
- 3/ technical and technological production improvements to be implemented;
- 4/ impacts to the environment and land;
- 5/ proposed land fee amounts.

Article 47. Land Use by Foreign Citizens and Stateless Persons

1. Land may be used by foreign citizens and stateless person permanently (more than 183 days) residing in Mongolia for household or production purposes for a specific period upon payment of fees and subject to other conditions and procedures stipulated by Law.

2. Land may be used by foreign citizens and stateless persons pursuant to contract for a period of up to 5 years. Extension the land use contract term shall not exceed 5 years at a time.

3. Land may not be used by foreign citizens and stateless persons for livestock husbandry or crop cultivation purposes.

4. Foreign citizens and stateless persons shall, prior to requesting land for use, obtain a recommendation from the

authorized organization in charge of foreign citizens' affairs.

5. The procedures described in the Articles 30 and 31, paragraphs 1, 3 and 4 of Article 32 and subparagraphs 1 - 8 and 10 of paragraph 2 of Article 33 shall be followed by foreign citizens and stateless person when making land use requests, when reviewing and making decisions on their requests, and when entering into and establishing the terms and conditions of the land use contract.

6. In the event two or more foreign citizens or stateless persons request to use the same land, the selection shall be made pursuant to the criteria described in paragraph 4 of Article 46.

7. Other relations on land use by a foreign citizens and stateless persons shall be regulated by the relevant provisions of this Law.

Article 48. Expiration Property Rights upon Expiration of the Land Use Right for Certain Legal Person

The right to use construction and other property on the land shall expire upon expiration of the land use right for the legal bodies described in Articles 45, 46, and 47 of this Law unless otherwise indicated by Law or contract.

CHAPTER SEVEN

Efficient and Rational Land Use and Protection

Article 49. Common Requirements for Efficient and Rational Land Use and Protection

Land possessors and users shall meet the following requirements on efficient and rational land use and protection:

1/ at their expense, preserve land characteristics and quality, as well as prevent the reduction of soil fertility, overgrazing of vegetation cover, soil erosion, degradation, drought, saturation, salinization, pollution, and chemical pollution caused by nature or human activities;

2/ immediately restore eroded and damaged land;

3/ maintain and restore land changed due to tests, experiments, and mineral exploration;

4/ prevent adverse impacts to the environment and land due to use of the land, its resources and commonly distributed mineral resources;

5/ preserve and protect land with small forested areas, rare and endangered animals and plants, and cultural and historical monuments;

6/ prevent activities with potential adverse impacts to the environment, land possessed or used by others, and State owned land.

Article 50. Sanitary Land Use Requirements

1. Citizens, economic entities, and organizations shall obtain, at their expense, an environmental impact assessment from the authorized Certified Organization prior to

developing land use proposals and maps, introducing new technology, and using chemicals or fertilizers which have not previously been tested in Mongolia.

2. Citizens, economic entities, and organizations shall construct buildings and install equipment which have potential adverse impacts to environmental balance, human health, livestock, animals, air, forest, water, and plants, as well as store and discharge commercial wastes, waste water, toxic and other substances only with the permission of the authorized Certified Organization.

3. Prior to completion of the operations described in paragraph 2 of this Article, citizens, economic entities, and organizations shall inform Aimag, Capital City, Soum or Duureg Governors and local residents of their operations and post permanent warning signs and establish the area's boundaries at their expense.

Article 51. Pasture, its Rational Use and Protection

1. Pasture shall consist of land allocated for livestock husbandry and be classified as Agricultural Land in the Unified Land Territory classifications.

2. Soum and Duureg Governors in cooperation with the appropriate Certified Organization shall initiate land management activities and take measures protect pasture and regulate its carrying capacity.

3. Pasture use shall be governed by the general schedule for winter, spring, autumn, and summer settlements pursuant to the traditional system. Summer, autumn, and reserve pastures shall be allocated to Bag and Khot Ail and be commonly used.

4. Forest Resources Land may be used as pasture in accordance with the appropriate legislation.

5. Upon consideration of environmental, social, and economic conditions, Aimag, Capital City, Soum and Duureg Governors may establish pasture and settled livestock herding regions in their territory.

6. Aimag, Capital City, Soum and Duureg Governors may take measures for pasture protection such as release of pasture which has been overgrazed and whose carrying capacity has been exceeded, or limit the number of livestock.

7. In the event of evacuation to the territory of another Soum or Aimag due to natural disaster or other sudden emergency, the Governors of the relevant levels shall reach an agreement and make a decision on the evacuation. Where an agreement between the Governors cannot be reached, then the case shall be resolved by the higher level Governor or the Government.

8. Citizens, economic entities, and organizations shall comply with the decisions described in paragraph 7 of this

Article.

Article 52. Rational Use and Protection of Hayfields

1. In cooperation with the appropriate Certified Organization, Soum and Duureg Governors shall initiate land management for hayfields and take measures for their protection.

2. Based on the schedule established by the Bag and Khoroo Citizen Public Khurals, Soum and Duureg Governors shall annually allocate hayfields for use by citizens, economic entities, and organizations and require them to protect the hayfields.

3. It shall be prohibited to graze livestock and animals in hayfields from May 15th to September 1st.

4. Upon agreement with Soum and Duureg Governors, citizens, economic entities, and organizations may use pasture with appropriate yields as hayfields.

Article 53. Rational Use and Protection of Cultivation Areas

1. The Government shall make decision on creating a new cultivation areas in cases other than those established in paragraph 2 of Article 28 of this Law and in the paragraph 4 of this Article.

2. The initial term of the cultivated area to be possessed or used by citizens, economic entities, and organizations shall not be less than 5 years and shall not exceed 25 years.

3. Citizens, economic entities, and organizations possessing or using land for cultivation shall regularly take measures to protect the soil, prevent the decreasing of soil fertility, and have State certification on land characteristics and quality conducted pursuant the term and procedures established by legislation.

4. Citizens may cultivate vegetables, fruits, and fodder on their fenced ger or house land in their winter settlement for family needs.

5. It shall be prohibited to graze livestock and animals in cultivated areas from the time of planting until harvest, unless land has been allocated specifically for livestock animal grazing.

Article 54. State Control of the Unified Land Territory

1. The Government, Aimag, Capital City, Soum and Duureg Citizen Representatives Khurals, their Presidium, and Governors shall conduct control over the implementation of the legislation on the possession, use and protection of the Unified Land Territory and land pursuant to their plenary rights as established by this Law.

2. Professional control over the implementation of the legislation on land shall be conducted by Certified

Organizations authorized by legislation such as the Environmental Control or Land, Plant, Quarantine, Sanitary, Geology, and Mining Certified Organizations.

Article 55. State Certificate on Land Characteristics and Quality and its Procedures

1. State certificate on land characteristics and quality shall mean the evaluation of the basic and stable indicators on land characteristics and quality as periodically determined at intervals established by legislation compared with the initial indicators gathered for State inspection in order to exercise a permanent State control over the efficient and rational use of land and its protection.

2. The state certificate on land characteristics and quality shall include the following indicators:

- 1/ thickness of fertile soil layer;
- 2/ contents of decomposition;
- 3/ soil pollution and chemical pollution;
- 4/ changes in land surface characteristics;
- 5/ changes in vegetation cover;
- 6/ changes in the composition of pasture and hayfield plant species.

3. Considering land characteristics, the Government shall establish indicators to be used in addition to the indicators described in paragraph 2 of this Article and authorized government organization shall establish the methodology for determining State certificate indicators on land characteristics and quality.

4. The Certified Organization authorized by the Government shall conduct and make conclusions on State certificate on land characteristics and quality.

5. State certificate on land characteristics and quality shall cover all land within the classifications of the Unified Land Territory once every 5 years and be conducted upon the expiration of the land possession and use right of citizens, economic entities, and organizations.

6. Land possessors and users shall be responsible for the characteristics and quality of the land allocated to them, the authorized government organization and the Aimag, Capital City, Soum and Duureg Governors shall be responsible for the characteristics and quality of State and Aimag, Capital City, Soum and Duureg Special Needs Land not allocated for use by others, and the Soum and Duureg Governors shall be responsible for the characteristics and quality of other land.

7. Land possessors and users shall finance the expenses for the State certificate on their land characteristics and quality, however the first time expenses on the State certificate on characteristics and quality of the land to be possessed or used by citizens, economic entities, and organizations and the State certificate on characteristics

and quality of other land shall be financed from State central and local budget.

8. The service price for conducting State certificate on land characteristics and quality shall be established by the Government.

CHAPTER EIGHT

Miscellaneous

Article 56. Settlement of Land Disputes

1. Land disputes shall be settled by the following organizations and officials:

1/ land possession and use disputes for State owned land between citizens, economic entities, and organizations and Governors shall be settled by the organization or official of a level higher than the Governor involved;

2/ land possession and use dispute between citizens, economic entities, and organizations as well as land use contract disputes between land possessors and users shall be settled by the Governor of corresponding level;

3/ disputes on land characteristics and quality and the efficient and rational use of land and its protection shall be settled by the official in charge of the appropriate Certified Organization or the Governor of the corresponding level pursuant to legislation;

4/ limited use right disputes for land possessed and used by others and land property disputes shall be settled by the courts.

2. In event a citizen, economic entity or organization disagrees with the decision on land disputes made by the organization or official described in subparagraphs 1, 2 and 3 of paragraph 1 of this Article, the dispute shall be settled either by the organization or official of a level higher than the organization, official, or court involved.

3. Land use dispute by economic entities with foreign investment shall be settled pursuant to the procedures established in this Article unless otherwise stated in international treaties to which Mongolia is a signatory or the contract concluded between the parties.

Article 57. Invalidating Illegal Decisions and Terminating Actions

1. In the event a State authorized organization's or official's decision, commission, or omission violates the legislation on land or the rights and legal interests of land possessors and users, the organization or the official or an organization or official of a higher level, or a court shall invalidate the illegal decision and terminate the action.

Article 58. Compensation for Damages.

1. Persons who cause damage to land shall eliminate the damage at their expense or finance the total cost in the event it was conducted by a Certified Organization

regardless of the administrative or criminal actions taken against them.

2. Persons who cause irreparable damage to land shall pay the expenses equal to the amount required for maintaining the damaged land regardless of the administrative or criminal actions taken against them.

3. Citizens, economic entities, and organizations acquiring possession of land already clearly damaged shall, if not agreed otherwise with the former possessor, eliminate the damage at their expense.

Article 59. Liability for Violation of Legislation

1. Administrative or criminal penalties shall be imposed on legal bodies who violated the legislation on land depending on the nature and extent of the violation and the size of the damage.

2. Where violation of the legislation on land by a legal body is not subject to the Criminal Code, a judge or state environmental control inspector shall impose the following penalties:

1/ for using double geographic names, translating geographic names from Mongolian to other languages or transcribing phonetically into the pronunciation of other in official documents, officials shall be subject to a fine of up to 2,000 Tugrig;

2/ for entering or crossing land possessed or used by others which was specially protected by such means as a fence or posting warning signs, a fine of up to 6,000 Tugrig shall be imposed;

3/ for purposely preventing a legal body with limited use rights to land possessed and used by others from using the land for the purposes described in paragraph 1 of Article 43 of this Law, citizens shall be subject to a fine of up to 10,000 Tugrig, and economic entities and organizations, to a fine of up to 75,000 Tugrig;

4/ for failure to release land upon expiration of land possession or use right or by the time set out by law and contract, citizens shall be subject to a fine of up to 20,000 Tugrig, and economic entities and organizations, a fine of up to 95,000 Tugrig;

5/ for not registering land possession and use contract with the State Registry, possession or use of land after expiration of the contract, or failure to complete in a timely manner a State certificate on land characteristics and quality, citizens shall be subject to a fine of 2,000 to 30,000 Tugrig, and economic entities and organizations, to a fine of 75,000 to 100,000 Tugrig;

6/ for failure to release the land to be changed or taken back with compensation by the time specified in law or contract, citizens shall be subject to a fine of 6,000 to 30,000 Tugrig, and economic entities and organizations, to a fine of 95,000 to 125,000 Tugrig;

7/ for creating a new cultivation area without the required decision of the authorized organization, citizens shall be subject to a fine of 4,000 to 40,000 Tugrig, and

economic entities and organizations, to a fine of 95,000 to 150,000 Tugrig;

8/ for use or disposal of land without decision or permission from the authorized organization or official, the violator shall ensure the release of the land and the illegal income shall be confiscated and citizens shall be subject to a fine of 50,000 Tugrig, and economic entities and organizations, to a fine of 250,000 Tugrig;

9/ for causing serious damage to land or violating the provisions of paragraphs 1, 2 and 3 of Article 49 and the provisions of Article 50 of this Law, citizens shall be subject to a fine of 6,000 to 50,000 Tugrig, and economic entities and organizations, to a fine of 100,000 to 250,000 Tugrig;

10/ for using land possessed or used by others without having an agreement with the possessors or users, the illegal income shall be confiscated and citizens shall be subject to a fine of 10,000 to 50,000 Tugrig, and economic entities and organizations, to a fine of 150,00 to 250,000 Tugrig.

Article 60. Effective Date of this Law

This Law shall take effect on April 1, 1995.